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ABSTRACT

This amended version of H. R. 12851 by the Committee on Education and Labor presents a section-by-section analysis and Ramseyer-rule comparison related to the committee amendment. In addition to the analysis a history and background of the legislation, including an explanation of major provisions, is also given. (KE)

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94th Congress } HOUSE OF REPRESENTATIVES { Report
2d Session } { No. 94-1086

HIGHER EDUCATION AMENDMENTS OF 1976

May 4, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Perkins, from the Committee on Education and Labor, submitted the following

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REPORT

together with

SUPPLEMENTAL VIEWS

[To accompany H.R. 12851]

The Committee on Education and Labor, to whom was referred the bill (H.R. 12851) to extend and amend the Higher Education Act of 1965, as amended, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out everything after the enacting clause and inserts in lieu thereof the matter printed in italic type in the reported bill.

Hearings and Committee Action

The Higher Education Act was last amended in major part, by Public Law 92-318, which became law on June 23, 1972. The Special Subcommittee on Education (as it was then called) under the Chairmanship of Mr. O'Hara, began its preparation for the extension and revision of that Act in October, 1973 with a series of hearings and discussions of the operation of existing student programs which extended through July of 1974. Thirty-one days of hearings and seminars directly aimed at examining the workings of Titles IV (student financial assistance) and IX (graduate programs), were interspersed among nine days of review of three annual BEOG family contribution schedules, and five days of examinations of the Guaranteed Loan Program. In the 94th Congress, the Subcommittee on Postsecondary Education, as it had been renamed, still chaired by Mr. O'Hara, began hearings on legislative proposals. In February and March of 1975, there were 12 days of hearings on H.R. 3471 and related student financial assistance bills. Beginning in July, September and October, 1975, and concluding with the appearance of Office of Education witnesses in February of 1976, to testify on the Administration's proposals.

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there were 14 further days of public hearings on H.R. 3470, a bill to extend the Act generally. From these hearings, the Subcommittee was able to develop H.R. 12851, a fresh bill which it reported to the full Education and Labor Committee on March 24, 1976.

On April 13, the full Education and Labor Committee met, and by a record vote of 36 to 0, ordered H.R. 12851 reported to the House, with an amendment in the nature of a substitute. The explanatory language in this report, including the section-by-section analysis and Ramseyer rule comparison, utilize and relate to the text of the Committee amendment.

History and Background of the Legislation

The history of the Federal involvement in the financial support of higher education, and the accompanying Federal involvement in the setting of educational policy is as old as the Republic itself. In an early message to the Congress, our first President urged the establishment of a national university at the seat of government. Federal land-grants for the support of postsecondary education were provided for in the Morrill Act and formed the basis of what was to become a uniquely American contribution to postsecondary education combining the virtues of mass access to postsecondary education at low or no cost to the student with a wide degree of freedom from governmental control of educational style and content. Lord Bryce aptly characterized the contribution which this nation had made to postsecondary education in pointing out that where the German university was popular but not free, and the English university free but not popular, the American university was both popular and free.

World War II gave birth to the next great Federal innovation in postsecondary education in the form of the G.I. Bill. Literally millions of Americans, many of whom had not thought of college as a probable part of their life expectancies, found themselves able to attend institutions of postsecondary education, with much—in some cases, all—of the economic barrier removed from their paths. Not only did the G.I. Bill enormously expand the actual market for higher education but it awakened in the minds of a whole new segment of the population the notion that college was not only a possibility for them, but a natural expectation for their children. What had been thought of in the 1930's as one of the benefits of affluence, came to be looked on as a normal aspiration for the child of the average family. The college-bound youngster of one generation, almost a statistical anomaly, became in the next generation something approaching the norm.

The further change that the G.I. Bill and its results wrought in the postsecondary education community was the concept that postsecondary education as it was would be a growth industry for the foreseeable future. Schools built new facilities. New schools were founded. Faculties expanded, and graduate schools trained new generations of teachers.

In the late 1950's the advent of the Space Age launched the next major national commitment to the assistance of postsecondary education. The National Defense Education Act gave legislative voice to the idea that the existence of an institutional base for postsecondary education was in and of itself a national asset of considerable worth in terms of national survival, and Federal funds were made available for the strengthening of institutions and the education of students at all levels in subjects deemed to be of national security importance. Mathematics, the sciences, engineering and language skills were selected for particular support, and the first program of direct student financial aid unrelated to the student's former military service, was made a part of that legislation in the form of Federal support for institutional student loan funds, and graduate fellowships in areas of special significance.

In 1963, a third major step was taken by the Congress in the development of a national postsecondary educational policy through the enactment of the Higher Education Facilities Act. Aimed at the need for increased facilities to keep pace with the dramatic growth in college enrollments, that Act made a Federal commitment to the assistance of institutions in helping them cope with the increased number of students, which had been sparked at least in part by earlier Federal enactments. A program of grants and loans for the construction of academic facilities was added to the still limited corpus of Federal law on postsecondary education.

In 1965, the existing laws were, in large part, codified, and there was added thereto a system of student grants and guaranteed loans, a College Work-Study program (first enacted as part of the Economic Opportunity Act of 1964), support for community service programs, financial assistance for the procurement of undergraduate instructional equipment, support for college libraries, support for developing institutions, and the creation of a national Teacher Corps.

The 1965 Act initiated the national policy of trying to make access to postsecondary education a real possibility for economically disadvantaged students who had in large part been left behind by prior efforts. This Act also marked the first broad Federal program of undergraduate grant assistance.

The Higher Education Act was amended further in 1966, 1967, and in 1968 when there was added a program of assistance for Cooperative Education, provisions for the support of graduate education, a Law School Clinical Experience Program, and a program for the sharing of educational resources among participating institutions, known as "Networks for Knowledge."

But the end of the 1960's also saw the first serious shadows cast upon what had seemed to many to be the limitless sunlit horizon of postsecondary educational growth. As that decade ended the dollar costs of the war in Vietnam (and perhaps even more deeply the first scars that war inflicted on the nation's unbounded faith in progress) began to loom large in the minds of policy makers. With the advent of a new Administration, and of new perceptions of the relationship between educational costs and educational values, some of the drive behind a broadly-based and widely focussed national education policy was dampened.

The 1972 amendments made several major additions to the armory of programs already enacted. None of the existing postsecondary programs were repealed, but some—notably Networks for Knowledge and the Law School Clinical Experience Program remained unfunded, though renewed by the 1972 amendments. One new title of the Act—Title X, aimed at support for Community Colleges and Occupational Education programs was enacted, but has remained unfunded. Much of the attention in the 1972 amendments was aimed at the provisions of Title IV, the Student Financial Assistance amendments, and, symbolized by the Basic Grant Program, there emerged a fairly broad agreement that the student rather than the institution was the primary proper object of Federal interest.

To summarize, then, there has been an historical pendulum operating in Federal postsecondary education policy. Originally aimed at the creation of an institutional base for higher education, in the land-grant acts, the focus shifted sharply in the 1940's to devices to meet student financial need in the form of the G. I. bills. The thunderclap of Sputnik's quiet transmissions reawakened a national interest in institutional readiness, and then in the legislation of the later 1960's, there emerged again a concern for student financial problems.

There is a consensus today that the proper Federal concern is for the student. There has grown up a belief with less firm support in the legislation on which policy must rest, that the major *tool*—to many the *preferred* tool, and the minds of some, the *only* proper tool—for serving that concern, is direct or virtually direct financial aid to the student. The latter theory, "the theory of the educational marketplace", though never enshrined in the law, has become the primary guiding light of many educational policy makers, and is often thought of in the professional literature as the received Federal wisdom.

Like earlier legislation this bill does not enact the marketplace theory of Federal higher education policy. Nor does the bill abandon, by one Federal dollar, the commitment of past Congresses to the provision of financial assistance to students so that those students may exercise truly free choices among various educational institutions—and various kinds of educational institutions. Those commitments are continued, and in the case of the College Work-Study Program at least, are substantially increased.

But this bill also recognizes that if students are to have a choice to exercise, if that choice is to be truly free, and if the growing needs of the growing host of students who do not fit into the traditional mold are to be met, there must be a strengthened institutional base for the exercise of those choices and the meeting of those needs.

So, H.R. 12851, while continuing, expanding, and strengthening the programs of student financial assistance in Title IV of the Act, also preserves most of the other programs, and seeks to strengthen and breathe some financial life—or at least the hope of life—into Titles I and X, with the hope they hold out for meeting the needs of non-traditional students, and into Title VII, with the offers of help it can make to the needs of institutions, less to expand their facilities, than to renovate and modernize them, to meet the burgeoning costs of the continuing energy crisis, and to cope with the legitimate but costly demands of other legislation—notably legislation designed to protect human life and safety and the environment. Schools have not sought, and probably should not be accorded any particularized relief from the demands of programs which affect them primarily as employers rather than as schools. But, to the same extent that we seek to make a general public investment in the education of our youth, to the full extent that we believe the cost of their education should be borne at least in part by the public, to that same extent it seems appropriate to the Committee that the full cost of protecting the employees and neighbors of schools should not be borne entirely by the students of those schools. Title VII, and particularly Title VII–C, is designed to assist schools to bear those costs, as it helped them bear the costs of the construction of new facilities in the immediate past.

In spite of the growing consensus as to the legislation, there is still a certain ambiguity about Federal postsecondary education policy. Most have agreed that the student is the proper focus of that policy. Many have believed that the student is the only proper tool of that policy. Yet even among those who have held the latter belief, there has been a strong tendency to measure the worth of "student aid" programs by their impact upon particular kinds of schools. This bill seeks to make some small steps in the direction of distinguishing between the student as the agreed purpose of the nation's policy, and the student (or the institution) as the tool of that policy. In doing so, it provides financial assistance directly to students, and it provides financial assistance directly to institutions—*in both cases, in the service of the student, and of the community of which that student continues to form an unsuspectedly large segment.*

It may be right at this point that the Education Amendments of 1976 will make their own major contribution to national educational policy. From the Committee's hearings, seminars and discussions there has begun to emerge a constantly clearer recognition that when the law and the policies it undergirds talk about "the student" there is an inarticulated major premise that the student is a young person, between the ages of 18 and 22, just out of secondary school, not yet having made a choice of a career, or at least, having just begun to prepare for that career, and that he is prepared to spend four (or even more) years in the full-time pursuit of skills and knowledge and an educational credential which will enable him to make a good living, and to know a good life.

None of the above, it would seem, are as true as they once were.

The "typical student" is no longer young, no longer full-time, no longer just out of high school, no longer a stranger to the world of work, no longer necessarily seeking either a set of skills or an educational credential. And, to be certain, he is no longer overwhelmingly "he".

The statistics on the demography of academe in the mid-1970's are startling.

The full-time student, looked at by educational statisticians as the norm, is already a minority in the community college sector, and in proprietary schools, and is rapidly becoming so in the rest of the postsecondary scene. In 1970, 29 percent of the total college population consisted of part-time students. By 1974, that had risen to 37.1 percent of the total.

The "college-age" stereotype has already lost its validity. According to Census Bureau figures, less than half of the college-going population in America is between the "college age" parameters of 18 and 21. To be specific, 48.8 percent are in that age bracket, another 48 percent are over the age of 21, and 3 percent are under the age of 18. Perhaps most impressive is the fact that one-third of the total are over the age of 25, and a remarkable 10 percent—nearly 1 million students—are over the age of 35. Tables provided to the Committee by the American

Council on Education show a four-year growth in college enrollments of 3.2 percent in the 18–19 age group, 5.7 percent in the 20–21 group, 16 percent in the 25–29 group, and 30.7 percent in the 30–34 group! For the same period, the total enrollment growth was slightly under 10 percent. Our campuses, our classrooms, our libraries and our lecture halls are no longer the preserve of the young—except when, the Committee will concede, we think only of the young in spirit!

More significant, perhaps, than this easily quantifiable evidence of a shift in demographics, is the perceptible growth of individual interest in hand-tailored curricula, in intermittent education, in adult and continuing education, off the campus, outside of the classroom, and aimed, not necessarily at preparing the student to *enter* the world of work, but in giving that student a new look at life, a new skill in handicraft or braincraft, a new tongue, a new ear for music, or a revisiting of old truths.

Experiments like New York's Empire State College, the University of Mid-America, efforts to bring together the educational resources of a community to serve the whole community, experiments in open admissions, and the sturdy resilience of the liberal arts, once again demonstrating that reports of their death are premature—all of these phenomena, hard as they are to fit into neat conceptual packages, show that our postsecondary education system is alive and growing and developing in ways that may be as important as what was happening when the land-grant colleges and the enormously prestigious First Families of American Academe together brought forth the need for a national system of public elementary and secondary education.

American postsecondary education cannot say—and for the most part is not saying—to a people in search of education, "Come to our place of business, at our convenience, during our hours, and if we decide to admit you, you can learn what we think you ought to know." On the contrary, many are saying, in effect, "What do you need in the way of intellectual wares?—And how can we fill that need?"

This bill seeks to help our living and growing postsecondary educational system grow in directions in which much of it is headed already. To hearken back to Lord Bryce, our task is to leave the university free, and to help keep it popular.

It is then, in the last analysis, perhaps not so clear as this report may have stated above, that "the student" is the ultimate objective and major beneficiary of our education policy. As that class of "students" grows out of the arbitrary boundaries of age and class and sex and economic circumstance and educational purpose into which our earlier thinking has sought to confine it, it becomes slowly clearer that the group we are really trying to help with the Higher Education Act is not a small segment of society, but virtually coterminous with society itself.

And, as documents of this Congress have done for two centuries now this one turns to the pen of Thomas Jefferson for its ultimate rationale.

It was that wisest of Presidents who said that *a people* who would be at once ignorant and free wants that which never was and can never be. It is in the service, then of *a whole people*, and *a free people* that your Committee urges the enactment of these proposals.

EXPLANATION OF MAJOR PROVISIONS

Title I of the bill, generally, provides for the extension of the programs currently authorized in title IV of the Higher Education Act of 1965, with the exception of guaranteed student loans. In the case of Basic Grants, Supplemental Grants, State Student Incentive Grants, Special Programs for Students from Disadvantaged Backgrounds, Veterans' Cost-of-Instruction payments, cost of education payments, and National Direct Student Loans, authorizations of appropriations are extended through fiscal year 1977. Given the contingent extension provided for in Sec. 414 of the General Education Provisions Act, this would mean that these programs would continue through fiscal year 1978 unless legislation were enacted to further extend or terminate specific programs. The College Work-Study Program and Cooperative Education Program are made into "permanent" programs. Following is a discussion in detail of the changes in title IV that are proposed to be made by H.R. 12851.

GRANT PROGRAMS

Much of the Committee's attention, during the lengthy hearings in 1974 and 1975 was focused on proposals to make substantive changes in the various student grant programs, largely designed to meet the perceived needs of various segments of the student population or of various types of schools. The Committee was unable to come to a consensus on the various proposals for improvement in the grant programs, and for this reason and because of the very sudden and significant upsurge in the costs of the Basic Grant program, it was decided to provide for a simple extension of the grant programs, for one year, without substantive changes in any direction. The evidence collected by the Subcommittee during the hearings and subsequent debate, and another year's experience in the administration of these programs should enable the 95th Congress to make needed improvements, and the short term of the extension provided by this bill will give that Congress the opportunity to do so.

Basic Grants (BEOG)

The committee changed the dates by which the family contribution schedule must be submitted to the Congress by the Office of Education, and before which either House may by resolution disapprove the proposed schedule. This change is necessary to provide students and student financial aid officers leadtime—enough for students to make basic decisions about their educational plans, and enough for aid officers to fit the student's basic grant into the financial aid package that is annually assembled to meet the financial needs of the student. The new sequence would begin one year before the family contribution schedule is scheduled to go into effect rather than February of the same year. Congress would still have three months during which either House could adopt a resolution disapproving the family contribution schedule. If such a resolution were adopted, the Commissioner would have to submit a new schedule identifying congressional recommendations and their disposition in the new schedule.

The Committee bill also adds one new criterion to those that the Commissioner must take into account in formulating the family contribution schedule, i.e., the educational expenses of other dependent children in the family. This amendment merely brings the statutory BEOG and SEOG criteria into conformity. The Committee has also added language that would provide statutory authority for the way in which social security and veterans income are now considered in determining the expected family contribution. Under the Committee bill, social security income and one-half of veterans' benefits would be treated as family income (as it is by regulation now) rather than as student income.

The Committee bill permits the Commissioner to "carry over" excess BEOG funds. Current law directs the Commissioner in any year when less than maximum grants are paid to students in the program, to distribute excess funds among grant recipients. When during academic 1973–1974 and 1974–1975 there were excess BEOG funds, the Commissioner indicated that it would not be feasible administratively to distribute the surplus among all the students who had received grants. The Congress at the request of the Administration in both years permitted the excess to be carried over to the succeeding year. During the current academic year on the other hand there has actually been a shortage of funds in the program and the Congress has had to reprogram already appropriated "forward" funds for current use. The Committee realizes that estimating the number of eligible applicants and their level of eligibility is an inherently difficult task, but believes it reasonable to expect that each year the capacity to develop reliable estimates for this program will improve. Providing for carryovers of unused funds is not to be interpreted as giving Congressional blessing to continuing misestimation of the real need. Your Committee, therefore, emphasizes that providing carryover authority is intended to provide a workable method to deal with relatively small amounts of money not spent at the end of the academic year. If the experience of the first three years repeats itself, the 1978 amendments will have to take a different approach.

The bill incorporates provisions which require the Commissioner, on an experimental basis, to permit State processing of BEOG applications. This experiment would involve two to five States which would use their capability to process BEOG applications according to standards set by the Commissioner. The State is to be paid at least the same rate per application as private contractors doing the same work for the Commissioner. The Commissioner must report to the Congress regarding the experience with State processing and include in that report recommendations regarding whether optional State processing should be made available to all States having the capacity to do so.

In order for a State to qualify for participation in this experimental program, any student grant funds provided by that State, which are subsidized in part by Federal funds, must be available for eligible State residents to use in the majority of institutions outside the State which are eligible institutions under part 1 of this title.

If the Commissioner makes a good faith effort to get agreements with at least two States capable of processing BEOG's, and not that many States choose to make the minimum three-year agreement, the Commissioner will be considered to have fulfilled his obligation.

The intent of the new subsection 411(c) is to provide for a fair and thorough test of multiple state processing of Basic Grant applications along with state grant applications as a means to simplify the system for the delivery of student aid to students. In the states with which the Commissioner enters into an agreement, pursuant to this subsection, students will be permitted to file one application for both the Basic Grant and state student aid grant programs and receive one notice of eligibility for the Basic Grant and state programs.

It must be emphasized that the participating states will have the option of "processing" Basic Grant applications not "administering" the Basic Grant program. The states are to be given no administrative discretion and would have no authority to change eligibility criteria.

It is expected that all grant applications, eligibility notices and information distributed by the participating states will clearly state that the Basic Grant is a federal student aid program, and resemble as nearly as possible the forms used nationally.

While the Commissioner must enter into agreements with states for the academic year beginning after July 1, 1978, it is expected that the Commissioner will enter into these agreements with states early in 1977. This will provide lead time for both the Commissioner and the participating states to make the necessary administrative arrangements to guarantee no interruptions in the operation of the program and to provide a fair test of multiple state processing.

A state's agreeing to process the Basic Grant does not diminish or derogate from the obligations of the Commissioner to publicize this program or disseminate information and applications.

The terms of the agreement between the Commissioner and states processing the Basic Grant should insure performance standards necessary for the operation and integrity of the program. These terms, under section 411(c)(2)(A), would also permit data to be gathered from the state processors for the purposes of effective program administration and evaluation.

It is expected that the Commissioner will select the two to five states for participation in this experiment based on their interest, their administrative capability to successfully undertake Basic Grant processing in coordination with state grant processing, and their diversity in terms of alternative modes of grant processing (through an in-house state agency capability or a subcontracting arrangement).

Currently there is a problem concerning BEOG eligibility as it pertains to students from broken homes who are provided a temporary domicile during the duration of their high school years by a friend or relative other than a legal guardian who has no intention of financing any of the student's postsecondary educational expenses.

Under the present interpretation of the law the income and assets of such families are considered in a BEOG application and many times the student finds it harder to obtain a grant because the income and assets of the family the student is residing with make the student ineligible. The student is thus faced with a situation where he receives no financial aid from the family he was residing with and also finds himself without a BEOG.

In order to address this problem, the Committee urges the Office of Education to consider this problem in implementing its regulations on BEOG eligibility. It is the committee's hope that situations which place a student in a temporary domicile environment can be treated by the Office of Education in such a way as to insure the student fair and equitable treatment in computing his need for BEOG eligibility.

Supplemental Education Opportunity Grants (SEOG)

The Committee bill provides for the continuation of the supplemental grant program (SEOG) through fiscal year 1977, without substantive changes.

Grants to States for State Student Incentives (SSIG)

Since its inception in the 1972 amendments, this program has served as a catalyst for the development of State programs of grants to postsecondary students. Your Committee has recommended that appropriations authority which in current law is split between initial and continuing grants be consolidated into a single authorization of such sums as may be necessary to fund both initial and continuing grants. Like the other grant programs this program is authorized through fiscal year 1977, without other changes than those described here.

Special Programs for Students from Disadvantaged Backgrounds

The Committee bill continues the Trio Programs as they are provided in current law, except that the authorization of appropriations is increased from $100 million to $250 million per fiscal year. Currently, of the approximately 4 million students eligible, only about 360,000 or 9 per cent are being served in the TRIO programs. Because of this discrepancy, and also as a result of the wide acceptance and support for these programs, the Committee has provided this increase.

Veterans' Cost-of-Instruction

H.R. 12851 continues the popular veterans' cost-of-instruction program. This program has provided many thousands of veterans with the guidance that they need to pursue their postsecondary education. The bill provides a change in the way veterans are counted in determining whether an institution is eligible for participation in this program. This new provision will hold institutions harmless from the impact of the May 31, 1976 delimiting date which will end eligibility for veterans' educational assistance for post Korean War veterans discharged prior to June 1, 1966.

College Work-Study

Because of the widespread acceptance and support of the college work-study program, your Committee has provided substantial increases in the authorization of appropriations culminating in a $630 million authorization for fiscal year 1980. In subsequent years there are authorized such sums as may be necessary to carry out the program. Combinations of institutions are permitted to participate in the program. The Committee is of the opinion that permitting consortia to participate will be especially helpful in areas where a large number of institutions of higher education are located in close proximity to one another. A consortium to provide work-study employment for the students of all the institutions in such an area would eliminate wasteful duplication of effort and needless competition for off-campus work-study employment with public or private non-profit public service organizations.

The Committee amendment has also sought to clarify a problem that has arisen under current work-study regulations. As the regulations now function, schools find themselves either compelled, or believing they are compelled, not only to stop a student's subsidized employment virtually at the moment he earns his computed need, but to deny him unsubsidized employment on the campus thereafter. The Committee amendment makes it clear that an employer may continue a student's employment without subsidy, after he has earned funds which equal his documented need for that year. This amendment is intended to remove the disincentive which current regulations impose on student willingness to work, and employer willingness to hire students.

The committee bill deletes current authority for the "work-study for community service learning" program. This program would provide 100 percent of the wage cost for certain public service employment for work-study students. No funding has yet been provided to carry out this program. The committee has concluded this authority should not be continued. In its place, the committee bill authorizes institutions to use 10 percent or up to $15,000 of its work-study funds to pay up to 80 percent of the cost of a job location and development program.

The institution may establish or expand a job development program separately, in combination with other institutions of higher education or by contracting with a non-profit organization to locate or develop off-campus jobs for enrolled students. By allowing institutions to contract with "non-profit organizations," the Committee has in mind those civic-oriented organizations which have been functioning for other purposes than the carrying out of this particular program, but which have the resources and interest to work with colleges in developing and locating jobs for students.

In allowing institutions to use a portion of their work-study allowance for job location and development programs; the committee expects that work opportunities for students can be expanded. Many students who would like to work are unable to find jobs that are physically accessible and that can be scheduled with their academic responsibilities. Other students now working would like to find another job that is more meaningful or more convenient with their schedules. Not all institutions will decide this use of work-study money can generate sufficiently greater student income to warrant a job location and development program. The intent is to expand on what institutions are already doing to help students find employment. The total effort should bring the worlds of work and education into a closer relationship to everyone's mutual benefit.

NATIONAL DIRECT STUDENT LOAN PROGRAM

As with most of the other student financial assistance programs the committee bill extends the National Direct Student Loan Program without major substantive changes. However, the committee bill does incorporate technical changes that will lead to more efficient administration of this program. One of the new provisions would require institutions that maintain a student loan fund to make a report, at least twice a year, describing the total number of loans that are in default. The committee bill also deletes the current requirement of notice to the Commissioner to suspend a student not in good standing at the institution from eligibility for a loan. This was a recommendation by the Office of Education that would eliminate a time-consuming step in the process of collecting outstanding loan obligations. Under the committee bill a borrower could begin early repayment of the loan if the student requests and the school agrees. Your Committee is certain that institutions will not make an authorization for early repayment a routine requirement of the student's application for a loan. Your Committee has included this provision to permit the student borrower to initiate early repayment of the debt to the loan fund.

The Committee bill also permits an institution to reduce monthly payments to less than $30 a month to avoid hardship to the student as long as the 10 year maximum for repayment is not extended. This proposal will give both the lenders and the borrowers in the program a greater degree of flexibility in the program.

The Committee bill restores a provision in the law prior to 1972 cancelling liability for an NDSL debt in the case of the death or total and permanent disability of the student borrower.

GENERAL PROVISIONS—TITLE IV

During the course of hearings by the Subcommittee on Postsecondary Education, in numerous mass media presentations and in countless communications with Members of Congress, students, parents, student aid administrators, and representatives of higher education organizations have expressed their concern about actual or potential abuse of federal student assistance programs. As a deterrent to those unscrupulous individuals who would willfully and knowingly embezzle, misapply, steal or obtain by fraud, false statement or forgery, student aid funds, the committee bill provides for criminal penalties of up to five years of incarceration and/or a $10,000 fine. In a letter to the Committee, the Department of Justice has indicated its support for this provision. That letter reads in part as follows:

> DEAR MR. CHAIRMAN: It has come to my attention that your committee is presently preparing its report on H.R. 12851, your bill "to extend and amend the Higher Education Act of 1965, as amended, and for other purposes." Among the amendments which your committee is considering is proposed section 498A(a), introduced as part of H.R. 12593 by Congressman Robert H. Michel on March 17, 1976.
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> This language tracks fraud sections elsewhere in the United States Code (see 42 U.S.C. 2703, 42 U.S.C. 3791 and 18 U.S.C. 655) and the Department of Justice endorses its inclusion in the Higher Education Act.
>
> The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.
>
> Sincerely,
>
> MICHAEL M. UHLMANN,
> *Assistant Attorney General.*

H.R. 12851 amends the Act to provide an increase in the administrative cost allowance for the three campus-based programs from 3 to 5 percent. In addition, the maximum amount that an institution could use to offset the costs of administering the Supplemental Educational Opportunity Grant, College Work-Study, and National Direct Student Loan programs would be raised from $125,000 to $225,000. While these changes will increase the amounts of money the institutions could use for administration of these programs, it should be better used because the committee has added a requirement limiting the use of these funds to meeting the costs of providing financial aid services to students. One of the costs which the committee specifically permits as an allowable cost is money spent to provide students and prospective students with information about financial aid resources available, an amendment strongly urged by student groups. Current law puts no restriction on the use of these funds. Building a limitation on the use of the funds into the law will enhance the administration of student aid and hopefully insure that students who qualify for assistance will not go without postsecondary education simply because they did not know what assistance would have been available to them. The committee expects that institutions will not reduce their own support for financial aid services.

H.R. 12851 also would add a provision to the law which prohibits a student from receiving assistance under title IV if the student is not making satisfactory progress at the institution or if the student owes a refund on a grant or is in default on a loan made in a title IV program. Satisfactory progress is to be measured by the institution according to its own standards. There is no intention to impose a federal standard to measure satisfactory academic progress, and the bill provides that this determination is to be left solely in the province of the educational institution which the student is attending.

The Commissioner is expected not to make any final determination concerning default on any loan obligation until he has given the student affected by such preliminary determination notice and opportunity to show cause why such preliminary determination should not be made final. The Commissioner may decline to make such a final determination if he finds that the circumstances leading to the prior default of the student were beyond the control of such student.

This bill also includes provisions that will increase the level of accountability for student assistance funds that are obtained directly or indirectly by an institution of higher education. The Commissioner will also have the authority to establish reasonable standards of financial responsibility and institutional capacity for institutions desiring to participate in title IV student financial aid programs. The Commissioner is also given the statutory authority to limit, suspend or terminate institutional eligibility for participation in title IV programs. Provision is, of course, made for notice and hearing before the Commissioner may exercise this authority. Current law provides for limitation, suspension, and termination authority in the guaranteed loan program. The committee bill would make similar authority applicable to all student financial aid under title IV. In addition, the Commissioner is given the authority to terminate or suspend institutions which engage in false advertising, or misrepresentation of its educational program, tuition or fees or the employability of its graduates. These additions to current law are intended by the committee to provide the Commissioner with the necessary tools to keep unethical individuals from engaging in unlawful conduct and sharp practice in the name of helping financially disadvantaged students obtain the education necessary to succeed in the economy of the '70's.

The regulations in force for the implementation of section 438 would remain in effect until new regulations become effective under this section.

In addition each institution having a contract or agreement under title IV will be required, when H.R. 12851 becomes law, to establish a "fair and equitable refund policy." The Commissioner is required, prior to issuing regulations concerning refund policies, to consult with student organizations, and other interested parties, such as the appropriate higher education associations. The institution will also be required to disclose its charges and its refund policy to its students and prospective students through publications such as its catalog and its schedule of classes or other publications that are either mailed to or made generally available to students or prospective students. These new provisions will provide a useful start to protecting the consumer through information dissemination, as well as through enforcement efforts aimed at weeding out the unscrupulous hucksters and corner cutters who can and do infect education as they do any other industry. It is hoped that these measures will be adequate to keep financial abuse from becoming a major problem.

The Committee bill also incorporates new authorization for assistance to state programs of training for student financial aid personnel. Each State will be able to use up to $10,000 from its allotments under the campus-based programs. In addition, the State could receive $5,000 from a total appropriation of $280,000 that is to be divided equally among the States. Each State receiving funds would then operate a training program to increase the proficiency of student financial aid administrators.

A new section providing for the ratable reduction of entitlements if there is no statutory formula for reductions is also included in the bill.

The two provisions described immediately above replace section 499 of current law which provided for an Advisory Council on Financial Aid to Students. Public Law 92-463, the Federal Advisory Committee Act, provides as follows:

> SEC. 14. Termination of advisory committees; removal; continuation
>
> (a)(1) Each advisory committee which is in existence on the effective date of this Act shall terminate not later than the expiration of the two-year period following such effective date unless—
>
> (A) in the case of an advisory committee established by the President or an officer of the Federal Government, such advisory committee is renewed by the President or that officer by appropriate action prior to the expiration of such two-year period; or
>
> (B) in the case of an advisory committee established by an Act of Congress, its duration is otherwise provided for by law.

This statute became effective 90 days after October 6, 1972. In view of the fact that this Advisory Council has not been provided for by law since 1972, it seems beyond dispute that the statutory existence of this Advisory Council has ceased.

GUARANTEED LOANS

It should be noted that H.R. 12851 is silent on the subject of the Guaranteed Student Loan Program (title IV-B). The Committee had not at the time this bill was ordered reported, come to a final conclusion on pending amendments to this loan program, but anticipates doing so and offering such amendments, perhaps to this bill when it is considered by the House.

PART B—AMENDMENTS TO OTHER TITLES, COMMUNITY SERVICE AND CONTINUING EDUCATION

One of the most significant changes proposed in H.R. 12851 broadens the range of programs that may be assisted by funds appropriated pursuant to title I. Current law permits funding of community service programs, that is, programs designed to assist in solving community problems. The Committee proposal adds continuing education programs and resource materials sharing programs to the type of activity that may be assisted by title I funds.

Continuing education is defined to mean postsecondary courses of instruction representing an increase in the institution's efforts to serve the needs and interests of adults. The committee intends that funds spent for continuing education will in large part be used to bring postsecondary education to those people who have heretofore not had such course offerings readily available at nearby locations and convenient times of the day or week.

Resource materials sharing programs are also added to the list of activities that are authorized under this title. These programs would involve planning, developing, and increasing the use of community learning resources. This would involve cooperation among community agencies, institutions, and organizations aimed at better use of available resources to increase learning opportunities in the community.

To assist in achieving the goals incorporated in these proposals, the committee bill increases the authorization levels for these programs from $50 million to $60 million annually. The bill also incorporates a change in the allocation formula that would provide each State with at least $100,000 annually and at least $25,000 to each of the overseas territories, also annually. However, funds would be allotted according to relative population. Then, each area would be brought up to its minimum, rather than providing the minimum level and then allotting the rest according to relative population, as in current law.

The program is to be administered by a State agency that will carry out its State plan. Each institution of higher education must have an opportunity to participate in the formulation of the State's plan. The Commissioner is prohibited from requiring States to submit data or make agreements not specifically required in section 105.

The funds allocated to the State may be distributed to institutions of higher education or combinations of such institutions that are carrying out the provisions of the State plan.

The Committee has also increased the amount of money that can be used for the costs of developing and administering the plan from $25,000 to $40,000 per year. This increase is more than justified by the increases in costs that the States have incurred since these costs were first allowed and by the diversification in the program proposed in the Committee amendment.

The Committee bill rewrites the section permitting a State agency to litigate actions of the Commissioner with respect to the State's plan. Instead of an appeal to the U.S. Court of Appeals, which is governed by the substantial evidence rule, the State could bring an action in the District Court. The burden of proof would, under the committee proposal, be on the Commissioner, rather than on the State as is the case under the familiar "substantial evidence rule", which is included in the present judicial review provision.

H.R. 12851 adds an entirely new provision that would permit the Commissioner to reserve 5 percent of the funds for technical assistance. This would occur in years that the appropriation is over $15 million. Technical assistance includes planning assistance and diffusion of information about effective programs and changing patterns which affect programs under this title.

Your Committee believes that these provisions are in keeping with the overall purpose of increasing the availability of postsecondary education opportunities for Americans of all ages, occupations, and interests.

OTHER PROGRAMS

The Committee bill extends parts A and B of title II (College Library Assistance and Library Training and Research) through September 30, 1977, and repeals part C of that title. Part C was a program for the Librarian of Congress who now has the authority through other statutes.

Title III of the Act, providing for assistance to strengthen developing institutions, is also continued through fiscal year 1977. The Committee incorporated an amendment that would remove the ceiling of 1.4 percent of the funds that could go to colleges qualifying under the waiver for colleges at or near Indian reservations. Since this ceiling was included, a number of new community colleges under tribal authority have been established or are being planned. Your Committee believes that these institutions should not have reduced access to funds under title III because of the growth of new Indian-controlled institutions.

Title V, Education Professions Development, and title VI, Financial Assistance for the Improvement of Undergraduate Instruction, are continued without substantive change.

ACADEMIC FACILITIES

In extending and modifying title VII, which now provides a program of grants, loans and loan guarantees for the construction of academic facilities, the Committee is not unmindful of the widespread conclusion that, taken as a statistical whole, the nation's post-secondary education physical plant was built to meet the needs of the 1960's and may well be excessive to the needs of the 1970's.

However, the Committee also takes note of the fact that what may be true for the academic world as a whole may well be irrelevant to a given institution, and there may well be schools which have not overbuilt, and which still need access to the grant and loan provisions of existing law for the purpose of constructing new buildings.

In any event, the major concern of the Committee's amendment to title VII is to add to "construction" the words "renovation and modernization" throughout the title, and to put a new emphasis on projects needed to improve an institution's ability to economize on the use of energy resources.

Present law allows grants to be made, in accordance with state plans, for construction projects which will result in a substantial expansion of, or (for new institutions) the creation of, urgently need enrollment capacity, the institution's ability to provide health care for students and staff, and institutional capacity to provide extension and continuing education programs on the campus. The amendment makes two significant changes in this list. First, it adds, as an eligible activity, the expansion or creation of the institution's ability significantly to economize on the use of energy resources. Secondly, it strikes the words "on the campus of such institution" from the phrase dealing with the provision of extension and continuing education services.

The Committee need not add to what other committees, executive agencies, and other responsible groups have said about the urgent and continuing need for all consumers of energy resources to develop and apply techniques of conserving energy, and to examine promising avenues of conversion to the use of energy sources other than those which are in declining supply. It is the hope of the Committee that much of the money that is granted or lent under this title shall be utilized in this area, though neither the committee amendment nor the legislative hisory can be cited as limiting the use of title VII to energy conversion. The second change recognizes the growing and healthy tendency of institutions engaged in extension and continuing education to bring those services to the student, rather than expecting the student to come to the campus. Title VII funds, under this amendment, can be utilized for Title VII purposes off campus where the goal to be served is the expansion of the institution's ability to provide extension and continuing education services. This amendment should certainly be read in tandem with the amendments to title I and title X and their emphasis on enabling schools to meet the needs of the non-traditional student. Institutions should, of course, devise means by which existing plant can be used to meet the needs of both traditional and non-traditional students, and funds authorized for section 705 should be employed to expand enrollment capacity only to the extent that state commissions are satisfied that appropriate facilities will otherwise be unavailable in the foreseeable future.

In section 706, which sets the criteria for determining priorities for grants under title VII, the committee amendment adds to the list of such criteria the degree to which the projects proposed for title VII assistance give special consideration to programs of energy conversion or modernization of energy utilization techniques on the campus which will not only enable the institutions themselves to economize, but will provide opportunities for research and demonstration of techniques applicable to other enterprises. Here the Committee is suggesting that schools should utilize title VII funds not merely to apply what others have already done, but to pioneer, to explore new techniques and devices, and to show the community what can be done.

A second new criterion for determining priorities under section 706 is the degree to which a project takes into consideration renovation and modernization necessary to enable institutions to meet the costs of federal, state or local requirements relating to environmental protection, safety and health.

The final major change which the Committee amendment makes in title VII is to provide that eligibility for VII–C loans shall rest upon the extent to which the project involved meets the goals prescribed in section 705 for grant eligibility.

COOPERATIVE EDUCATION

The present title VIII—Networks for Knowledge—is repealed, and a new title VIII, dealing with Cooperative Education, is enacted.

Few of the programs carried on under present law aroused quite the degree of support in the Committee that was and is enjoyed by the cooperative education program, currently authorized by Part D of title IV. A number of witnesses appeared in the 1974 hearings and spoke enthusiastically about the theory and practice of cooperative education. The Committee responded in a similar vein, making it a permanent program, increasing its authorization, modernizing the language, and finally, taking it out of title IV and giving it the designation and status vacated by the repeal of title VIII.

Co-op is a system in which students engage in substantial periods of academic study and substantial periods of work in the industries or occupations which are the objective of their study. Customarily, but not universally, the periods of work are full-time and prolonged, and alternate with periods of full-time study. A student may study on campus for a semester and work in another community for the whole next semester.

Co-op is not work-study. Where work-study is aimed at providing the student with funds with which to pursue his actual academic career, co-op is an *educational* device, which involves earnings for the student, but which may or may not actually earn him enough in his semester away from the campus to net him enough to meet his expenses on campus. Co-op is sometimes a very expensive form of education, and the student earnings are not at the heart of the matter.

The Federal investment has not been intended to underwrite the operation of co-op at the great institutions where it is already central to the curriculum. Instead, it is intended to give grants to institutions which are truly interested in developing their own co-op programs. These grants are seed money in the truest sense of that term, and it is the Committee's opinion that they should continue to be so, with changes limited to those needed to cope with changing times and patterns, both in the economy and in the co-op idea itself.

As was the case with the work-study program, co-op is made a permanent program. The amendment authorizes an increase in appropriations from the present $10,000,000 to $13,000,000 in fiscal year 1976 (including the transition quarter), $15,000,000 in fiscal year 1977, $18,000,000 in fiscal year 1978, $21,000,000 in fiscal year 1979, and $24,000,000 for any succeeding fiscal year. Authorizations for training and research projects are increased from the present $750,000 to $1,000,000 each in fiscal year 1976 and 1977, $2,000,000 in fiscal year 1978, and $3,000,000 in subsequent years. These figures are intended largely to compensate for the effects of inflation since the present figures were set. The Committee does note, however, that cooperative education is one of the few Higher Education Act programs that has consistently been funded at the full authorization level, and expresses the hope that this will continue.

The amendment raises the amount that can be granted to any single institution from the present $75,000 to $200,000, while consortia may be granted as much as $150,000 times the number of institutions in the consortium. While there is nothing in the bill that suggests or is intended to suggest that institutions must all receive the maximum, this change is intended to give effect to the Committee's intention to encourage the Commissioner to concentrate co-op money in somewhat larger pieces in institutions which, in the words of the amendment, show evidence of a "commitment of the institution * * * as demonstrated by the size and scope of (that institution's own) program."

On the basis of the hearings and the evidence gathered since, it seems apparent that co-op education is not something an institution can dabble in. It is expensive, it does demand a substantial commitment by the institution in the form of monetary and staff resources, time and energy, and the amendments seek to encourage this. While the amendment extends the duration of a development project from three to five years, it accompanies this with a steep and rigorous phase-out schedule. An institution may receive 100 percent of its project cost in the first year, no more than 80 percent in the second year, 60 percent in the third year, 40 percent in the fourth year, and 20 percent in the fifth and final year. No exceptions to this schedule are permitted. Any Federal grants awarded during the three years prior to the effective date of this amendment shall count toward the new five-year limitation, and the appropriate reduction factors will be applied to the Federal share for the remainder of such project's period of eligibility. It should be noted that this provision does not in fact mandate an absolute reduction in the number of federal dollars from one year to the next. It is the *percentage* of the total cost represented by the federal contribution which must decline. The institution's own contribution clearly must increase, but if the project cost and the institution's own investment increase, it is possible for the Federal share to remain steady or even to grow in absolute size.

Here again, the Committee's purpose is to insure institutional commitment to the co-op idea. A school which, after a year of 100% federal support, is unwilling or unable to make a significant contribution of its own, or which, after five years of federal support, is unwilling or unable to shoulder the whole cost, should decide that their experiment has not succeeded, and should try something else, leaving co-op funds for those schools which are ready to make such a commitment.

The amendments contained in the proposed section 802(d) of the Act have the same intention. They instruct the Commissioner to give first priority to projects which show promise of success because of the extent to which employers have given favorable reception to co-op projects in the same field in the past, and the extent to which the institution's own commitment to co-op is evidenced by the size of the project and the plans the institution has made to continue after the termination of federal assistance.

Co-op, in short, is not everyone's cup of educational tea, and there is nothing to be gained by establishing a small co-op program on every campus in America so that one or two faculty members can "study" it. It is an educational device of enormous potential, and deserves the full attention and commitment of those who would undertake to make it a part of their curriculum.

Though the Committee does not consider it the major change made in co-op by these amendments, a large portion of the correspondence generated dealt with the question of striking the word "full-time" from the phrase "programs of cooperative education that alternate full-time periods of academic study with periods of full-time public or private employment.". These words are removed by this bill, and the legislation makes so-called "parallel" co-op programs eligible for assistance under the Act. There are schools which have tried "parallel" programs, where a student will engage in part-time work, and part-time study, without federal support, and this seems to work. The Committee retains some skepticism about this practice, and urges the Commissioner to be very careful, in approving such programs, not to blur the important distinction that must be made and kept, between work-study and co-op. Parallel programs carefully conceived, and executed so as to be true co-op can be usefully supported under this new title.

The Committee notes that federal executive agencies, and some offices within the legislative branch have employed cooperative education students. In fact, the federal executive branch is currently a major employer of co-op students. The Committee urges that this continue, and recommends to Members that they develop contacts with cooperative education programs in colleges and universities in their states and districts and to seriously consider employing cooperative education students in their offices. Given the kind of careful melding of study and work that is characteristic of well-done co-op, such arrangements can be even more useful to offices and students alike than the somewhat more casual summer internship programs that have been created in many Congressional offices.

There are, in conclusion, no areas where co-op is wholly irrelevant, out there are some where it works better than others. While the Commissioner is urged to give sympathetic attention to proposals for opening up co-op in new fields of study, he is first urged to keep its distinctive characteristics well in mind, and to administer the new title VIII of the Higher Education Act in the spirit of seeking large commitments by participating institutions—commitments of their own resources and time, to the fundamental idea of co-op, not as a student financial aid device, not as an area of educational research, but as a tried and proven educational instrument.

TITLE IX—GRADUATE PROGRAMS

Title IX dealing with graduate programs, is continued without substantive change.

COMMUNITY COLLEGES

The Committee amendment continues the effectiveness of Title X, as in the case of Title I and Title VII, with a particular view toward meeting the needs of the non-traditional student.

Like Title VIII and Title XI, Title X has never been funded, but in this case, the Committee is not convinced that the failure of the government to carry out the four-year old promise of this title is sufficient reason for withdrawing it. The Committee bill renews the promise, restates it to meet needs more particularly defined during this period of waiting, and ties it, as will be discussed below, to the "trigger" device which will help to ensure that it will at least have a heightened possibility of funding.

The funding authority for Part A of the Title is continued at the current level of $150,000,000, through fiscal year 1977.

Section 1013, permitting the use of Title X funds for the establishment of community colleges is continued without change.

Expansion Grants

Section 1014, which now permits the making of expansion grants to assist eligible institutions (1) in expanding their enrollment, (2) in establishing new campuses, and (3) in "altering or modifying their education programs" is broken into two parts. Section 1014(b) permits grants for the purpose of modifying educational programs and educational delivery systems to provide programs especially suited to those persons whose educational needs have not been adequately served, with special mention in the legislation for the handicapped, older persons, part-time students, and persons who would otherwise be unlikely to continue their education beyond the high school. The Subcommittee includes, but does not limit such services to, programs designed to eliminate barriers to access such as inflexible course schedules, the location of instructional programs and inadequate transportation.

Section 1014(c) makes community colleges eligible for grants to expand their enrollment or establish new "educational sites", but only after they have first explored the possibility of utilizing existing facilities on the campus or in the community, and that they have explored the possibility of entering into arrangements with other institutions for the use of unused facilities or the delivery of educational services. The Committee was deeply impressed during the 1975 hearings by testimony from spokesmen for the John Wood Community College District in Illinois regarding the scheme by which that District has contracted with existing colleges and other schools in their area to provide educational services to students for whom John Wood serves as a clearing house. While not a panacea, this kind of arrangement seems to the Committee to suggest one very helpful answer to the simultaneous plight of private institutions who have educational services and facilities to offer, and communities that want to establish low tuition community colleges, but are hard pressed to make the capital investment necessary to create a new campus. It is a palpable waste of money and talent for existing institutions, private or public, and community colleges to duplicate one another's efforts in areas where both are trying to do the same thing. Instead of trying to compete for a shrinking "traditional" student body, it seems in the best interests of the public, if such schools could combine their efforts, while retaining the differences that have made each an invaluable part of the post-secondary system.

It is with this in mind that the Committee requires community colleges to explore such possibilities as a condition precedent to eligibility for a 1014(c) grant.

Section 1014(a) requires the Commissioner to fund all approved applications under subsection (b) before beginning to fund applications under subsection (c) of this section.

Leasing Grants

Present law allows grants for the lease of facilities to carry out projects under sections 1013 and 1014. Such grants now may run for a period of five years, and the Federal share of leasing costs is phased out over the five years. Section 1013 continues and clarifies this language, but reduces the least grant period from five to three years, permitting a larger Federal share in the first year, but a steeper phase-out.

Definitions

The Committee amendment makes two changes in the present definition of "community college" for the purposes of this title. Present law defines a community college as one which admits as regular students persons who are high school graduates or the equivalent or are at least 18 years of age. The committee amendment changes the age requirement from 18 years to "beyond the age of compulsory school attendance". The Committee here refers to the age of compulsory attendance as prescribed by the jurisdiction in which the college is located.

Present law further prescribes that community colleges (which may be four-year institutions or branches thereof) must provide a "two year" post-secondary educational program leading to an associate degree, or acceptable for credit toward a bachelor's degree, and also provides programs of post-secondary vocational, technical, occupational and specialized education. The amendment strikes the phrase "two year" and the requirement that such an institution offer programs of vocational, technical, occupational and specialized education. Obviously, community colleges which would have met the definition in the present law will continue to do so. The Committee amendment is intended to broaden eligibility for Title X.

The Committee amendment extends the life of Part B of Title X, dealing with Occupational Education. In another bill (H.R. 12835) dealing with Vocational Education, Title X-B is repealed, and replaced with other provisions of law to deal with the same subject. It is the Committee's intention to deal with the variance in these two approaches in the final stages of the legislative process.

LAW SCHOOL CLINICAL EXPERIENCE

Title XI, the unfunded Law School Clinical Experience Program first enacted in 1968, is repealed.

GENERAL PROVISIONS

Title XII of the Act is amended in two respects. First, the present language of section 1201 (a) defines an institution of higher education and requires, among other things, that such an institution "admit as regular students only persons having a certificate of education from high school or the recognized equivalent of such a certificate." The open admissions policies of a growing number of institutions—once again a part of the important evolution toward serving the non-traditional student—would render them ineligible for participation in much of the Higher Education Act if this provision were to remain unchanged.

The Committee has therefore added a provision including within the definition public or private non-profit schools which admit as regular students persons who are beyond the age of compulsory school attendance in the state where the institution is located, and who have th ability to benefit from the training offered by the institution. Such "ability to benefit" is, of course, a matter for the institution, and not the Commissioner, to determine. The primary intent of this change is to accomodate many public institutions which are required under state law to admit any student beyond the compulsory school attendance age. The Committee is not encouraging institutions generally to lower admissions requirements by admitting unqualified students soleiy to maintain or increase enrollments.

The second addition to title XII is in the form of a new section 1207, which is referred to elsewhere in this report as the "trigger" amendment. It provides that when and if the Congress appropriates more than $2.5 billion for parts A, C, and E of title IV (the student aid grant, work-study and direct student loan programs), the Congress shall also match dollar-for-dollar the excess over that $2.5 billion is appropriations for titles I, VII–C, and X–A. Should such matching appropriations not be made, then no payments, awards or grants can be made from the title IV money in excess of $2.5 billion.

The "trigger" only applies until money has been appropriated to the limits allowed for titles I, VII–C, and X–A. Title I is authorized at no more than $60 million, VII–C at no more than $200 million, and X–A at no more than $165.7 million. Thus, if the title IV programs covered by the trigger amendment have appropriated for them a total of $2.7 billion, the total appropriated for I, VII–C, and X–A, in any combination, must reach $200 million, or the last $200 million appropriated for title IV cannot be expended. If, however, the title IV appropriations for covered programs should reach $3 billion ($500 million over the trigger level), only $417.7 million (the equivalent of the authorization ceiling for the other three titles) need be appropriated for those three titles in order to meet the requirements of Sec. 1207.

It should be understood what this amendment does NOT do. It does not place any ceiling on what may be appropriated for any title of the Act, including title IV. The Congress is free to exercise its judgment on proper appropriation levels for each of these titles. Funds can be apropriated for titles I, VII–C and X–A, whether or not the "trigger" levels are met for title IV (and, indeed, the Committee urges that funds be appropriated for these titles). The other titles of the Act—titles II, III, V, VI, VIII, and IX—are not involved in the trigger mechanism in any way. The purpose and operation of the "trigger" mechanism is solely to ensure that if student financial assistance, in the programs specified, goes significantly beyond present appropriation levels (The FY 1976 appropriation for the triggered title IV programs has reached $1,816,000,000, and if the supplemental appropriations approved by the House on the same day this bill was ordered reported is sustained in the Senate, the appropriation level will reach $2,416,000,000), there will be the beginning of federal support for the institutional base necessary to meet the needs of those students—and, the Committee once again points out, the non-traditional student who has been largely left out of the title IV programs.

TITLE II—AMENDMENTS TO OTHER LAWS

NATIONAL DEFENSE EDUCATION ACT

SEC. 201 extends and amends title VI of the National Defense Education Act, the primary change being the addition of a new "Citizens' Education" program as section 603 of that Act.

As amended, title VI of the National Defense Education Act will provide added authority to meet two essential, complementary needs: the national need for specialists highly trained in the languages and cultures of other countries; and the national need for general citizen awareness of, and education about global issues of pressing domestic consequence.

The amendment authorizes a program of grants or contracts to any public or private agency or organization to assist such activities as (a) the in-service training or orientation of teachers and other education personnel (including institutes, workshops, symposiums and seminars), (b) the development of curriculums, (c) the preparation of instructional materials, and (d) the dissemination of information with respect to such curriculums and instructional materials. Public or private agencies of organizations would include, but not be limited to, institutions of higher education, State and local educational agencies, professional associations, educational consortia, and organizations of teachers. Grants or contracts would be made available for projects and programs at all levels of education, and may include projects and programs carried on as part of community, adult and continuing education programs. Eligibility for grant or contract assistance shall not include the acquisition of equipment or remodeling of facilities.

The committee amendment does not authorize any increase in the existing authorization level for Title VI of the National Defense Education Act—$75,000,000 per year. However, the Committee recommends that no funds shall be made available for carrying out the programs contained within the amendment, until at least $15,000,000 has been made available in such fiscal year for carrying out the provisions of existing title VI sections 601 and 602. This will serve to protect those advanced instructional programs already in existence.

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

SEC. 202 makes a purely technical amendment by giving statutory recognition to the familiar working title of the Fund for the Improvement of Postsecondary Education, but the Committee would take this opportunity to indicate its general satisfaction with the way this very small program has functioned, making a contribution all out of proportion to the investment we have made in it.

HIGH SCHOOL EQUIVALENCY PROGRAM; COLLEGE ASSISTANCE MIGRANT PROGRAM

SEC. 203 directs the Secretary of Labor to see to it that the High School Equivalency Program and the College Assistance Migrant Program shall continue to receive direct funding from the Department of Labor's national account portion of funds authorized by title III, section 303 of the Comprehensive Employment and Training Act, through the transition quarter and fiscal year 1977 at the same levels at which they were funded in fiscal year 1976.

The Department of Labor has expressed its desire to terminate the categorical funding of these programs and to designate them as allowable activities to compete for funds from section 303 grantees. Negotiations between the programs and the grantees indicate that the termination of categorical funding will result in effectively abolishing most of the programs.

Despite written assurances from the Assistant Secretary of Labor for Employment and Training (formerly Manpower) to members of both the House and Senate Committees subsequent to the time these former OEO programs were transferred to the Department that such categorical programs would be continued until another more appropriate agency assumed the administration of them, the Department is now refusing to abide by its commitment. Section 203 of this bill will guarantee that the programs will be continued while Congress, with the benefit of expert opinion, considers a transfer to the Office of Education, Department of Health, Education and Welfare.

The Committee would point out that on the very same day this amendment was approved by this Committee, the House gave its approval to a Supplemental Appropriation Act for fiscal year 1976, the Committee Report on which contained the following language:

> The Committee directs the Department to continue direct funding of the High School Equivalency Program and the College Assistance Migrant Program until the Congress has had an opportunity to act on the Labor-HEW Appropriations bill for fiscal year 1977.

On this issue, the Committee believes it is merely reinforcing what the House has already directed the Secretary to do.

This section also requires the Commissioner of Education in conjunction with the Secretary of Labor, to study these programs and submit to the Congress recommendations for strengthening the programs, increasing the cost-effectiveness, improving the administration, increasing the enrollment and involvement of migrant and seasonal farm workers in the programs.

The Committee is committed to the concept of these programs and stresses that the objective of the report is to determine how that concept can be expanded to meet the needs of the target group.

The Committee expects that the study will draw heavily upon the expertise and insights of private organizations that have demonstrated a concern for the interests of migrant and seasonal farm workers.

OVERSIGHT

The Special Subcommittee on Education held extensive oversight hearings during the 93rd Congress, and has conducted three separate reviews of BEOG family contribution schedules. No formal oversight report was submitted. H.R. 3471, the original student financial assistance proposal was drafted as a direct result of those oversight hearings. In addition, the Subcommittee held hearings in both the 93rd and 94th Congresses on HEW's practices in the drafting of rules and regulations. Several provisions of H.R. 12851 relating to rule-making, notably sections 109(b), (c) and (d), paragraphs (12) and (16) of section 121, paragraph (6) of Section 126 and Subsection 128(a) were based on these oversight hearings.

Although a number of Committees have also investigated the Guaranteed Student Loan Program, none have filed formal oversight findings with this Committee. H.R. 12851 does not deal with the Guaranteed Student Loan Program, but amendments which are being considered by the Committee draw very heavily from the testimony elicited by this Committee and other Committees of the Congress in their oversight hearings on that program. Finally, the provisions of Sec. 203, directing the Department of Labor to continue the operation of certain Migrant Education programs, are a direct result of oversight hearings held by the Subcommittee on Agricultural Labor.

INFLATIONARY IMPACT

The rules of the House require that each Committee Report contain a statement of the bill's "inflationary impact on prices and costs in the operation of the national economy."

Looked at from that point of view, it is probable that most of the programs which the Higher Education Act contains, and which this bill reauthorizes would have the effect of reducing rather than increasing consumer prices. These programs provide program support for institutional activities, the costs of which would otherwise have to be recouped by being passed on to the consumer.

Section 109(d) of the bill, by requiring that institutions must provide the Commissioner with assurances that the availability of financial assistance to students at that institution has not resulted and will not result in an increase in the tuition, fees and other charges to the student at the institution, may well have a counter-inflationary impact on student costs. Such, certainly, is its intention.

The total FY 1977 amount "authorized" by H.R. 12851 for purposes of this analysis is the figure shown in the cost estimate section of this report, the derivation of which is included in that section. The total figure is $7,147,000,000. This figure amounts to four-tenths of 1 percent of the Gross National Product, estimated by annualizing the GNP rate for the first quarter of 1976. The Committee believes that even at full funding this figure would have a negligible "inflationary impact."

In any event, your Committee believes that investments in the education of our people, can only result in making individuals more productive. And this surely, is the classic definition of a counter-inflationary use of public funds.

Cost Estimate

The Rules of the House further require that the Committee prepare and publish in its report its own cost estimate of the bill, and a cost estimate prepared by the Congressional Budget Office. In this case, the Committee has received a cost estimate from CBO which in the Committee's opinion, accurately reflects the full funding costs of the Higher Education Act, as amended by H.R. 12851. The CBO estimates are based on the assumption that each and every program authorized in the Act will be funded at the maximum level permissible under the law. The Committee points out that while these figures are, indeed, substantially greater than those which have appeared in recent appropriation bills, the only authorization increases which are created by the enactment of H.R. 12851 are those in Title I, the TRIO programs and College Work-Study program in Title IV, and the Cooperative Education, moved to Title VIII. These increases in authorizations created by H.R. 12851 total $286 million, and from that figure should be subtracted the $31.5 million decreases in authorization caused by the repeal of Titles II–C, VIII, and XI.

The C.B.O. estimates for H.R. 12851 are therefore only $254.5 million above those that would have resulted from a simple extension of present law.

Subject to this caveat, and to the further observation that the "spend-out" rates suggested by the CBO document are not to be interpreted in any way as reflecting the intention of the Committee as to the speed or manner in which the Office of Education should make the educational investments authorized by this legislation, the CBO figures are accepted by the Committee, and are as follows:

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 28, 1976.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 12851, Amendments to the Higher Education Act of 1965.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely yours.

ALICE M. RIVLIN, *Director.*

Attachments.

CONGRESSIONAL BUDGET OFFICE

AUTHORIZATION BILL COST ESTIMATE

1. Bill number: H.R. 12851.

2. Bill title: Amendments to the Higher Education Act of 1965.

3. Purpose of bill: The main purpose of this legislation is to extend authorization for spending under the Higher Education Act of 1965, as amended, through fiscal year 1977. Aside from reauthorization the major changes in this bill that impact the authorization levels are:

(1) The lifting of the $50 million authorization ceiling from the State Student Incentive Grant program (Title IV, A, 3);

(2) The requirement for several states to become Basic Grant processors and the inclusion of "other educational expenses" in the family contribution calculation (Title IV, A, I); and

(3) The reauthorization of College Work-Study (Title IV, C) and Cooperative Education (Title VIII) on a permanent basis.

The authorizations in this bill are subject to subsequent appropriations action.

4. Cost estimates: The following table shows CBO's estimate of specified authority and associated outlays for the fiscal years 1977–1981 for all title in H.R. 12851.

AUTHORIZATION COST AND ESTIMATED OUTLAYS OF H.R. 12851

[In millions of dollars]

Fiscal year	1977	1978	1979	1980	1981
H.R. 12851 authorization levels	$7, 147	$590	$624	$657	$687
Estimated outlays for authorized amounts	827	5, 053	1, 308	787	848

There are two parts to this cost estimate. For those titles of the Act for which authorization levels are specified CBO has estimated the resulting outlays using spend-out rates applied to the full-authorized amount. The other titles require estimates of "such sums as may be necessary." For those titles CBO has made estimates and has included relevant details about assumptions in this cost estimate.

5. Basis for cost estimates:

(1) TITLES WITH SPECIFIED AUTHORIZATION LEVELS

[Dollar amounts in millions]

Higher Education Act	1977	1978	1979	1980	1981
Title I—Community Service and Continuing Education:					
Authorization	[1] $60				
Outlays [2]	48	$6	$6		
Title II—College Library Assistance:					
Authorization	[1] 100				
Outlays [2]	10	45	25	$10	$10
Title III—Strengthening Developing Institutions:					
Authorization	[1] 120				
Outlays [2]	5	47	30	19	19
Title IV, pt. A (2)—Supplemental Grants:					
Authorization	[1] 240				
Outlays [2]	17	204	19		
Title IV, pt. A (4)—Special Programs for the Disadvantaged II:					
Authorization	[1] 310				
Outlays [2]	28	251	31		
Title IV, pt. A, (5)—Assistance to Institutions:					
Authorization [6]	900	(dependent on subsequent legislation) [7]			
Outlays [2]	90	720	90		
College work-study:					
Authorization	540	570	600	630	660
Outlays [2]	54	462	569	599	629
Title IV, pt. D—Cooperative Education (renamed title VIII).					
Title IV, pt. E—Direct loans:					
Authorization	[1] 400				
Outlays [3]	52	348			
Title IV, pt. F—General provisions:					
Authorization	0. 3	0. 3			
Outlays [4]	(5)	0. 2	0. 3		
Title V—Education Professions Development:					
Authorization	450				
Outlays [2]	122	239	90		
Title VI—Improvement of Undergraduate Instruction:					
Authorization	70				
Outlays [2]	7	35	25	4	
Title VII—Construction of Academic Facilities, pts. A, B, and C:					
Authorization	594				
Outlays [2]	14	58	87	116	148
Title VIII—Cooperative Education:					
Authorization	16	20	24	27	27
Outlays [2]	2	15	20	24	27
National Defense Education Act, Title VI—Foreign Studies and Language Development:					
Authorization	[1] 75				
Outlays [3]	0	51	24		

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[1] Includes TQ authorization.

[2] Outlays calculated using spend-out rates provided by Budget Office, U.S. Office of Education.

[3] Authorization levels are specified in H.R. 12851 except fiscal year 1981 which is a "such sums" authorization. Since the program is predominately forward-funded, some error in this figure will have little effect on outlays reported in this table.

[4] The spend-out rate for another 50:50 Federal-stage grant program is used as the closest approximation available.

[5] Less than $50,000.

[6] The sum of this authorization and that under title IX, pt. F, may not exceed $1,000,000,000.

[7] Although the legislative authority for pt. IV-A-5 (cost of education allowances) has no expiration date, the actual amounts to which institutions are entitled depend on the institution's enrollment figures, the number of its students who receive basic grants, and the number of its students who are in receipt of funds under the supplemental grant, work-study and direct loan programs. Since most of these programs are extended only for 1 year, it would be more difficult than useful to estimate figures as to the residual authorization under this program after fiscal year 1977. Assuming no change in the program after fiscal year 1977, the actual authorization for those years will vary widely according to the disposition by the Congress of BEOG, SEOG, and NDSL.

(2) TITLES WHERE CBO ESTIMATED AUTHORIZATION LEVELS: TITLES IV, PT. A, (1) BASIC GRANTS

[In millions of dollars; fiscal years]

	1977	1978	1979	1980	1981
Authorization [1]	$1,574				
Outlays*	189	$1,322	$63		

*Outlays are calculated using spend-out rates provided by the Budget Office, U.S. Office of Education.

There are three components to this authorization:

(a) cost of basic grants.—Over $1,500 million would be required to fully-fund basic grants in academic year 1977–78. This assumes a participation rate of eighty percent which is a six percent increase over the Office of Education's estimate of 74 percent for academic 1975–76. This increase reflects our knowledge about the growth in applications.

Fiscal year 1977:

Full-funding cost [1] (millions)	$1,896
Participation rates (percent)	80
Estimated required authority	$1,517

[1] Source: Department of Health, Education, and Welfare model estimates for fiscal year 1977.

(b) Cost of including "other educational expenses" in family contribution calculation.—The legislation provides that "any educational expenses of other dependent family members" be included in the calculation of the expected family contribution. The intent of this clause is to conform basic grants with supplemental grants which already accounts for these expenses. In our estimates we assume that this provision refers, as it does in supplemental grants, to the tuition expenses of a family whose dependents are attending non-public elementary and secondary schools. The effect of this provision would be to lower the expected contribution from income of families with dependents in non-public schools. This would in turn raise the awards for most of these families except for those already receiving the maximum grant. Our estimates are rough and are based upon the average family expense for non-public elementary and secondary schools by income range. Table 1 shows that this provision may increase the full-funding cost of basic grants by approximately $70 million. At a participation rate of 80% this provision would add $54 million to the fiscal year 1977 authorization.

(c) cost of allowing two to five states to process basic grants.—Allowing between two and five states to process basic grants will impose several costs on the federal budget.

First, the extra processing cost over and above what is currently paid to the national contractor would be paid by the government. In addition, basic grants field and central staff would require expansion along with increased administrative and computer costs.

Fiscal year 1977 budget effects of multiple BEOG processors

	In millions
1. Additional processing costs [1]	0.5-1.0
2. Additional staff requirements [2]	.72
3. Additional administrative and auxiliary services	.75
4. Total	$1.97-2.47

[1] Note: Our estimate assumes that four states become processors: Pennsylvania, Wisconsin, Kentucky, and New Jersey. Based on information from College Scholarship Service the per unit application fee differential is assumed to be between $1-$2. This is the amount over and above present processing costs. For those states their total number of applicants for academic year 1975-76 was $310,800. If their rate of application growth parallels that of the entire program (about 30 percent), then for academic year 1977-1978 their estimated number of applications would be 500,000. Therefore, the additional processing costs would range between $.5 and $1 million.

[2] Informal estimates from Division of Basic Grants, U.S. Office of Education. 40 staff persons at $18,000 per annum equals $720,000.

TABLE 1.—EFFECTS OF PROVISION TO INCLUDE "OTHER EDUCATIONAL EXPENSES" IN BASIC GRANTS CONTRIBUTION CALCULATION

Income range	0 to $6,700	$6,701 to $10,000	$10,001 to $13,000	$13,301 to $16,700	$16,700 and up	All incomes
1. Basic grantees (thousands) [1]	$887	$542	$365	$220	$69	$2,083
2. Percent of grantees who are dependent students	55	91	99	100	100	78
3. Percent of dependent grantees who would claim "other educational expenses" [2]	19	22	25	27	29	25
4. Average amount of claim [2]	$750	$750	$750	$815	$1,000	$877
5. Percent of claim which would reduce family's contribution	20	30	30	30	30	
6. Increased award as a result of reduced contribution (dollars)	$150	$225	$225	$245	$300	
7. Increased awards to those who claim expenses (1.x2.x3.x6) (dollars in millions)	[3] 3	24	20	15	6	68

[1] DHEW model estimates.

[2] These data derived by CBO from the result of a sample of American College testing applicaticns. Self-supporting grantees are assumed not to claim "cther educational expenses."

[3] 80 percent of the families in this income range with dependent stubents are already at their maximum award. For all others it is assumed that they will receive the full increased award. (Source: Division of Basic Grants, U.S. Office of Education.)

TITLE IV, PART A, (3) STATE STUDENT INCENTIVE GRANTS

[In millions of dollars; fiscal years]

	1977	1978	1979	1980	1981
Authorization	$603				
Outlays [1]	$60	$446	$96		

[1] Outlays calculated using spend-out rates provided by the Budget Office, U.S. Office of Education.

The legislation provides for "such sums as necessary." During the past three years the participating states have increased their funding of state need-based scholarships and grants at an annual rate of 15 percent as shown by the figures below.

	Academic year—		
	1973-74	1974-75	1975-76
Total funding of State scholarship programs (millions)	$364	$441	$500
Less Federal SSIG	19	20	44
State funding of State scholarship programs (millions)	345	421	456
Annual average rate of growth between 1973-76			15

At this rate of growth states could be expected to fund their programs at $603 million ($456 million×[1.15] 2) in 1977-78. This would be an estimate of the amount of federal SSIG dollars that would be matched by the states. This estimate assumes that the reallocation mechanism in SSIG allows the distribution of all federal funds with some states receiving only their population-based basic allotment while others receive that plus any surplus funds distributed proportionately to the basic allotment.

TITLE IV, PART A, (5) VETERANS COST-OF-INSTRUCTION PAYMENTS

[Dollars in millions]

	Fiscal year—				
	1977	1978	1979	1980	1981
Authorization	[1] $290				
Outlays [2]	29	$223	$38		

[1] This is the amount required to fund all institutions with eligible veterans as a result of the entitlement nature of this program. Each institution is entitled to $300 for every enrolled veteran who is receiving educational assistance or vocational rehabilitation payments (category I payments). Schools are entitled to an additional $150 bonus entitlement for veterans who are educationally disadvantaged or who are in the Prep program (category II payments).

[2] Outlay calculated using spend-out rates provided by the Budget Office, U.S. Office of Education.

Academic year	Full-time equivalent eligible veterans		Category I, Category II (percent)	Payment per FTE in		Total demand for entitlement (millions)
	Category I	Category II		Category I	Category II	
1973-74	456,000	25,760	5.6	300	150	$140
1974-75	539,470	41,060	7.6	300	150	$168
1975-76	845,642	71,300	8.4	300	150	$264
Estimated:						
1976-77	1,150,000	115,000	10.0	300	150	$362
1977-78	920,000	92,000	10.0	300	150	$290

Source: Veterans program unit, DHEW and CBO estimates.

The estimated figures in the table reflect a continuation of the annual average growth of category I veterans (at a rate of 36.2%) through fiscal year 1976 and a constant percentage of those who fall into category II (educationally disadvantaged) estimated at 10% for 1976-77 and 1977-78. For fiscal year 1977 (academic year 1977-78) the estimated decline of 20 percent in category I eligible parallels the decline projected for all veterans in college by the Veteran's Administration in their fiscal year 1977 budget justification.

TITLE IX—GRADUATE PROGRAMS

[In millions of dollars; fiscal years]

	1977	1978	1979	1980	1981
Authorization:					
Parts A, B, C, and D	$55				
Part F—general assistance[1]	100				
Total	155				
Outlay [2]:					
Parts A, B, C, and D	6	$44	$ 6		
Part F	10	80	10		
Total	16	124	16		

This part provides that general assistance be paid to institutions in the amount of $200 per full-time equivalent graduate student in attendance.

[2] Outlays are calculated using spend-out rates provided by the Budget Office, U.S. Office of Education.

TITLE X.—COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

[Dollars in millions]

Fiscal year	1977	1978	1979	1980	1981
Authorization:					
Pt. A—Community colleges:					
(1) Establishment and expansion grants	$100				
(2) Leasing of facilities	50				
Pt. B—Occupational education	500				
Total, title X	650				
Outlay of authorized amounts:					
Pt. A—Community colleges:					
(1) Establishment and expansion grants [2]	5	40	$25	$15	$15
(3) Leasing [3]	29	17	4		
Pt. B—Occupational education [4]	50	400	50		
Total outlays, title X	84	457	79	15	15

[1] Because there has been no prior funding of this title we assume that the $150,000,000 authorization is split evenly among establishment, expansion and leasing grants.

[2] We assume that establishment and expansion grants to new and growing community colleges will spend out at a rate similar to that for developmental support grants to developing institutions under title III,

[3] The leasing of facilities provision would reduce to 3 yr (from 5 presently in the law) the length of time Federal grants would be made to 1 institution for leasing facilities. In the 1st year the Federal Government would carry 90 percent of the project. This would decrease to 50 percent in the second and, further, to 10 percent in the 3d year. Our spend-out rate estimates assume that the $50,000,000 authorization will carry 1 set of leasing projects for 3 yr and that the cost of increase at 5 percent per year.

[4] Outlays are calculated using spend-out rates provided by the Budget Office, U.S. Office of Education.

6. Cost comparison: Not available.
7. Previous CBO estimate: Not applicable.
8. Estimate prepared by: Richard Wabnick.
9. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

SECTION-BY-SECTION ANALYSIS

TITLE I—AMENDMENTS TO THE HIGHER EDUCATION ACT

PART A—AMENDMENTS TO TITLE IV OF THE ACT

Section 101. General changes in expiration dates.—By its own terms, the authority to carry out title IV of the Higher Education Act of 1965 (hereinafter referred to as "the Act") expired June 30, 1975, but this authority was automatically extended under section 414 of the General Education Provisions Act. This authority is now scheduled to expire September 30, 1976. This section would amend the various provisions of title IV of the Act so that the expiration dates set forth therein, and appropriation authorizations, would be as follows:

1. Basic educational opportunity grant program—Continued through fiscal year 1977.
2. Supplemental educational opportunity grant program—$200,000,000 is authorized to be appropriated for initial year grants for fiscal year 1977, and such sums as are necessary for continuing year grants. This is the same level of authorization as is currently in effect.
3. Veterans' cost-of-instruction payments—Program is extended through fiscal year 1977.
4. National direct student loan program—Authorizes the appropriation of $400,000,000 for capital contributions for fiscal year 1977. This is the same as the present level of authorization.

5. Duration of student loan funds—The institutional student loan funds created under the national direct student loan program are continued until September 30, 1982.

Section 102. Basic educational opportunity grants.—One of the principle factors which is considered in determining eligibility for, and the amount of, students' basic educational opportunity grants is the amount of their expected family contributions. The Commissioner, under present law, is required to publish before February 1 of each year a schedule of expected family contributions. This schedule is submitted to the Congress, and if either House, before May 1, adopts a resolution of disapproval, the Commissioner must publish a new schedule which takes into consideration recommendations made in connection with the resolution. In any event, the schedule becomes effective on July 1. This section, in subsection (a), moves this sequence back—so that the schedule must be published before July 1 of the preceding year, and the resolution of the House must be adopted before October 1. The schedule will be in effect with respect to grants made after July 1. Under the proposal, if an amendment becomes necessary, only Congressional recommendations will be considered, and the Commissioner is required to publish a statement identifying each of the Congressional recommendations and explaining in detail any discrepancy between the recommendations and the new schedule.

Subsection (b) adds an additional basic criteria to be followed by regulations prescribing expected family contributions. This new criteria is the educational expenses of other dependent children in the family. This change is consistent with the needs analysis requirements in the supplemental educational opportunity grant program.

Subsection (c) makes a clarifying change with respect to the consideration of social security and veterans' benefits in determining expected family contributions, by treating all social security and 50 percent of veterans' benefits as "family" rather than "student" income.

The amendment made by subsection (d) provides that any funds remaining after making the basic grants shall be held over and used for making payments under this part during the next year.

Subsection (e) directs the Commissioner to enter into three year agreements with two to five States for the purpose of processing basic grant applications of residents of those States. Only States which permit federally assisted State grants to be used at a majority of eligible institutions outside the State can participate. By September 1, 1978 the Commissioner will have to report to the Congress on the experience with State processing of applications for basic grants. A state entering into such an agreement will be required to provide services comparable to those presently provided by private contractors processing basic grant applications. Eligibility for a basic grant will be based only on criteria set by the Commissioner. States will be paid at least as much per unit as other contractors doing the same work. The State will be permitted to collect information necessary for its own grants on the forms used for basic grants, however, the State can impose no charge upon a student for processing the student's basic grant.

Section 103. Grants to States for State student incentives.—Under present law two appropriations are provided for grants to States to fund their incentive grants. The first of these is for initial year grants, and the amount authorized is $50,000,000 a year. The second appropriation is for continuation grants for students who have already received a grant. This section would provide for just one appropriation which would be used, without distinction, for initial-year or continuing grants. The amount is not specified—that is, it is "such sums as may be necessary."

Sec. 104. Special Programs for Students from Disadvantaged Backgrounds

This section continues the Trio programs with an added authorization of $60,000,000 for the transition quarter July 1, 1976, through September 30, 1976, and increases the authorization from $100,000,000 in fiscal 1976 to $250,000,000 for fiscal 1977.

Sec. 105. Veteran's Cost of Instruction Payments to Institutions of Higher Education.

Subsection (a) adds a provision which will permit the institution to subtract the veterans whose eligibility for veterans' educational assistance expired on May 31, 1976, because of the operation of the delimiting period set out in chapter 34 of title 38 of the U.S. Code from the number of veterans necessary to establish eligibility for assistance in this program. This subsection also requires special emphasis on educationally disadvantaged veterans in outreach efforts conducted by the veterans office and special emphasis on the veteran student services program provided in title 38 in special education programs.

All institutions receiving assistance under this program are required to submit a report at the end of the fiscal year. The Commissioner is required to submit a report to the Congress annually. The report must include summaries of institutional reports and data as well as a description of the steps taken by the Commissioner to assure adequate efforts by institutions to carry out the programs required in this section. The Commissioner should include appropriate recommendations including recommendations for legislation.

The Commissioner is also required to seek to assure that this program is coordinated with Veterans Administration programs. A new provision also requires the Commissioner to delegate administrative functions in connection with this program to an individual appointed by the Commissioner and directly responsible to the Commissioner who is the head of an identifiable administrative unit in the Office of the Commissioner.

Section 106. Work-Study programs.—Subsection (a) amends section 441(b) of the Act by authorizing the appropriations of—

$510,000,000 for fiscal year 1976 and the transitional period ending September 30, 1976;
$540,000,000 for the fiscal year 1977;
$570,000,000 for the fiscal year 1978;
$600,000,000 for the fiscal year 1979; and
$630,000,000 for the fiscal year 1980.

For each of the succeeding fiscal years "such sums as may be necessary" are authorized to be appropriated.

The amendment made by subsection (b) authorizes grants to combinations of eligible institutions, as well as to such institutions, and corrects an error in existing law.

Under subsection (c), the purposes for which funds granted an institution may be used are broadened to include use of these funds for the new job location and development program provided in the new section 447.

Subsection (d) provides that an institution is not required to terminate a student's employment merely because the student has earned enough to meet the student's documented need. However, if the student is continued as an employee after meeting computed need, the institution may not use work-study funds to pay the student.

Subsection (e) repeals the community service learning program presently contained in section 447, and enacts a new section 447, establishing a job location and development program. Under this program, an institution, under an agreement with the Commissioner, could use $15,000, or 10 per centum, of its allotment, whichever is the lesser, to establish or expand a program to locate or develop jobs for its students which are suitable to the scheduling and other needs of the students. The institution's program can be carried on separately, in combination with other institutions, or through a contracting agent. To qualify, the agreement with the Commissioner must (1) provide that the Federal share of the cost will be not more than 80 per centum, (2) provide assurance that the money will not be used to discover or develop jobs the wages for which are funded under the school's work-study program, (3) provide assurance that the institutions will not reduce its own expenditures for this purpose below its level for the three years preceding the agreement, (4) provide assurance that the jobs which are discovered or developed are to assist the student while he is going to school rather than as positions for students after their graduation, (5) provide assurance against displacement of employed workers or impairment of existing contracts for services, and, finally, (6) provide for an annual report and evaluation.

Sec. 107. Cooperative education. Subsection (a) repeals the present authority for Cooperative Education, and subsection (b) amends title VIII of the Higher Education Act by inserting the amended authority for the Cooperative Education program. Sections 451, 452 and 453 of present law are re-enacted as sections 801, 802, and 803, with amendments as described below. The amendment would authorize appropriations for Cooperative Education programs as follows:

$13,000,000 for fiscal year 1976, and the subsequent period ending September 30, 1976;
$15,000,000 for the fiscal year 1977;
$18,000,000 for the fiscal year 1978;
$21,000,000 for the fiscal year 1979; and
$24,000,000 for each subsequent fiscal year.

Grants may be made to combinations of institutions as well as to individual institutions. Under present law, periods of full-time employment alternate with periods of full-time study, but under the amendment, neither period need be full-time.

The amendment authorizes the appropriations of the following amounts for training, demonstration, and research grants:

$1,000,000 for fiscal year 1976, and the subsequent interim period ending September 30, 1976;
$1,000,000 for fiscal year 1977;
$2,000,000 for fiscal year 1978; and
$3,000,000 for each subsequent fiscal year.

The amendment raises the maximum grant for a single institution from $75,000 to $200,000, and provides that the grant to a combination of institutions may not exceed $150,000 times the number of institutions in the combination.

The amendment adds a new requirement for program applications which requires that they specify the portion of the program which will be performed by other nonprofit organizations or institutions, and the compensation to be paid them.

Presently an institution may participate in this grant program for no more than three years. The amendment extends this to five years and adds a new provision which limits the grant to a percentage of administrative costs during each of the years the institution is participating in the program. The percentage is 100 per centum the first year, 80 per centum the second year, 60 per centum the third year, 40 per centum the fourth year, 20 per centum the fifth year. Administrative costs are defined to include the total costs to the institutions of administering the program.

A new requirement directs the Commissioner to give priority to programs which show the greatest promise of success because of the extent to which programs in the academic discipline with respect to which the application is made have had a favorable response from employers or because of the commitment of the institutions to cooperative education as demonstrated by the size and scope of the program.

Section 108. National direct student loan program.—The amendment made by subsection (a) requires that the institution submit, at least semi-annually, a report describing the total number of its loans which have been in default for 120 days, in the case of loans repayable in monthly installments, or 180 days in the case of loans repayable in less frequent installments.

Under present law, the eligibility of a student who is not in good standing for payment of a loan is suspended upon notice to the Commissioner. As amended the student's eligibility is suspended without regard to when the Commissioner is notified.

Under present law, a student's repayment period on his loan begins nine months after he leaves school. The amendment would permit the repayment period to begin sooner if the borrower requests it and the school agrees.

Present law permits an institution to require a student to repay his loan at a rate of at least $30 a month. The amendment made by subsection (d) would allow the institution to reduce the amount of such payment where necessary to avoid hardship, but without extending the ten-year repayment period.

The amendment made by subsection (e) provides that liability for repayment of a NDSL is cancelled upon the death or total and permanent disability of the borrower.

Section 109. General provisions.—This section amends section 493 of the Act (relating to expenses of administration) to increase the ceiling on the amount an institution may receive as reimbursement for its costs of administration. Each institution now receives 3 percent of its expenditures from its allotments under parts A and C for administration. In addition it may withdraw sums from its student loan fund, but the aggregate from all three sources may not exceed $125,000. The bill changes this figure to $225,000, and increases the allowable payment to 5 percent of the institution's expenditures. Another amendment to this provision requires institutions to use the money received under the section exclusively to meet the costs of providing financial aid services directly to students, including providing information on availability of financial assistance.

Subsection (b) adds two new subsections to section 497 which is redesignated 497A. The first of these is a criminal provision applying to any participant in a student aid program who knowing and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery any funds, assets or property provided or insured under Title IV. If the amount is more than $200, then the maximum penalty is a $10,000 fine and/or 5 years imprisonment. If under $200, the maximum penalty is a $1,000 fine or one year in jail.

Another new provision will permit a student to receive assistance payments only if the student is maintaining satisfactory progress in his course of study, according to the standards and practices of the institution. If the student owes a refund on previous grants or is in default on a previous loan the student has received under this title, that student may not receive any further assistance.

New provisions relating to the eligibility of institutions are added. These provisions authorize the Commissioner to prescribe regulations to provide a fiscal audit of eligible institutions with regard to funds obtained under this title or obtained from a student who has a loan insured or guaranteed under this title. The Commissioner shall also establish reasonable standards of financial responsibility and institutional capability for administering a financial assistance program under this title. In addition, the Commissioner is given the authority to limit, suspend or terminate institutions which violate or fail to carry out any provisions of title IV. The Commissioner must afford notice and a hearing, and no suspension may exceed 60 days unless agreed to by both sides, or unless limitation or suspension proceedings are initiated during the 60 days.

An institution which has engaged in false advertising substantial misrepresentation of its programs, charges or employability of its graduates may be terminated or suspended until the Commissioner finds that such practices have been corrected. The Commissioner is required to publish a list of State agencies that is determined to be a reliable authority as to the quality of postsecondary vocational education in their respective States for determining eligibility for all Federal student assistance.

Currently effective regulations for carrying out section 438 of the Act, dealing with limitation, suspension and termination are to remain in force until amended or superseded by new regulations of the Commissioner.

The Commissioner is directed to undertake within 90 days of the effective date, a revision of the existing Sec. 438 regulations for the purpose of modifying such regulations to the extent possible to make them applicable to all programs under title IV.

A new section 497C is added that requires each institution having an agreement or contract under title IV to establish a fair and equitable refund policy pursuant to regulations to be developed in concert with student organizations, other interested parties and relevant federal agencies. The institutions also must produce and circulate appropriate publications and mailings to current and prospective students. Such publications shall include a complete statement of institution charges to the student and the institution's refund policy. Institutions participating in student assistance programs must also provide assurances to the Commissioner that the availability of such assistance has not and will not result in an increase in charges to federally aided students.

This section adds a new subpart 3 to part F of Title IV of the Act to establish a program to train financial aid administrators. Under this program the Commissioner may make dollar-for-dollar matching grants to States to design and develop programs to increase the proficiency of institutional and State financial aid administrators. Grants for this program will be made upon application from the State agency administering a State program of student grants or other designated State agency and the program will be administered in consultation with statewide financial aid administrator organizations. $280,000 is authorized to be appropriated for fiscal year 1977 and for fiscal year 1978, to be divided equally among the States. In addition, each State will receive from its allotments under the supplemental grant program, the work-study program, and the direct loan program, whichever is the lesser $10,000 or .05 per centum of such allotment.

A new section is added to title IV that provides for ratable reductions when funds are unavailable for paying entitlements under title IV. This provision would only apply in the event that the statute creating the entitlement provided no alternative method of reducing payments.

PART B—AMENDMENTS TO OTHER TITLES OF THE ACT

Section 121. Community service and continuing education.—This section contains a number of amendments to title I of the Act which deals with community service and continuing education programs.

Section 101 of the Act is amended by broadening its stated purpose to include supporting the expansion of continuing education in colleges, universities, and resource materials sharing programs. The authorizations of appropriation are $60,000,000 for fiscal year 1977, whereas the authorization for fiscal years 1975 and 1976 is $50,000,000.

Present law does not define "continuing education" but uses the term in the definition of community service program as a fundable activity, but only where designed to assist in solving community problems. This section adds a definition here, and throughout the rest of the title adds continuing education, as so defined, as one of the activities to be supported under the title. The term is defined to mean postsecondary courses of instruction which represent an increase in the institution's effort to meet the educational needs of adults, especially those not presently adequately served.

Resource materials sharing program is defined to mean planning, developing and increasing the use of community learning resources by finding ways that combinations of agencies, institutions and organizations can make better use of educational materials, facilities, human resources and communications technology to expand learning opportunities in the area served.

The allotment formula in present law provides for first allotting $100,000 to each State ($25,000 to each of the overseas territories) and allotting the remainder according to relative populations. The bill, instead, provides for allotting all the funds according to relative populations and then providing a minimum allotment of $100,000 for each State ($25,000 for each overseas territory).

The State plan provisions of title I are amended. The amendment requires the State to designate a State agency to administer the program—it can no longer designate a State institution. A State may no longer designate an unqualified agency solely on the expectation that it will become qualified. It may, however, continue to appoint an unqualified agency if such agency appoints an advisory body which does meet the qualifications.

As indicated above, the State plan requirements are amended to put continuing education and resource materials sharing on an equal footing with community service. Other amendments to the State plan requirements drop the reporting and recordkeeping requirements, and insert a requirement that all institutions of higher education in the State be given an equal chance to take part in the development of the State plan. It is made clear that combinations of institutions of higher education are qualified recipients of grants.

A new subsection is added to the State plan section which prohibits the Commissioner from, in any way, requiring a State to make an agreement or submit data not specifically required by the subsection.

The section of the title dealing with payments is amended to increase the maximum payment for administrative costs from $25,000 to $40,000.

This section inserts a new judicial review section in lieu of that contained in present law. Under the new provision, judicial review of the Commissioner's failure to approve a State plan or his action in suspending a State's eligibility would be in the United States district courts rather than in the U.S. Courts of Appeals, the burden of proof would be on the Commissioner, so the "substantial evidence rule" incorporated in the present judicial review provision would no longer apply, but in other respects the action would proceed like other civil actions seeking similar relief.

A new technical assistance program is established. Under this program the Bureau of Postsecondary Education will make technical assistance available to the States and to institutions of higher education to provide (1) a diffusion network to make effective programs broadly known, (2) assistance in understanding their significance.

The Commissioner would no longer be a member and chairman of the National Advisory Council.

Section 122. College library programs.—The existing authorization of appropriations of $100,000,000 per year is extended through fiscal year 1977. Part C of title II to strengthen college and research library resources is repealed.

Section 123. Developing institutions.—The authorization of appropriations for title III, Developing Institutions, is continued at the level of $120,000,000 through fiscal year 1977.

Present law establishes a ceiling of 1.4 percent of the funds that may be granted to institutions that get a waiver of the full five years of existence by virtue of the fact that the institution is located on or near an Indian reservation or a substantial population of Indians if the Commissioner determines such a waiver will increase higher education for Indians. The bill eliminates this 1.4 percent ceiling on grants.

Section 124. Education professions development.—The authorization of appropriations for the education professions development programs is continued through fiscal year 1977 at its current level of $450,000,000.

Section 125. Improvement of undergraduate instruction.—The authorization of appropriations in present law for equipment is continued through fiscal year 1977 at current levels, that is, $60,000,000 for equipment and $10,000,000 for specialized television equipment.

Section 126. Construction, renovation, and modernization of academic facilities.—This section makes numerous amendments but, as described below, they principally deal with just two matters—extensive of the program and broadening it to include renovation and modernization as well as construction.

Each of the authorizations for appropriations is extended at the current level through fiscal year 1977. These levels are $300,000,000 for undergraduate academic facilities, $80,000,000 for graduate academic facilities, $200,000,000 for loans for academic facilities, and $13,500,000 for annual interest grants.

The extension of the program to cover renovation and modernization is accomplished by adding those terms after "construction" each time existing law either gives authority for construction, or refers to construction. In addition, in section 705, setting forth eligibility requirements for projects, a project will be eligible if it will result in increased institutional ability to significantly economize on the use of energy. Under section 706, the Commissioner prescribes basic criteria to be applied by the States in establishing priorities for projects. A new criteria is added which requires that special consideration be given to programs of conversion or modernization of energy utilization techniques which will permit economies in the use of energy, and provide for research and demonstration of energy conservation techniques to other enterprises. Another new criteria which is added requires the State to give consideration to renovation and modernization projects to enable institutions to meet the costs and requirements of environmental protection, safety, and health programs mandated by law. The definition of "construction" in present law is recast to exclude rehabilitation, alteration, conversion, and improvement of existing structures. A new definition of "renovation or modernization" is then inserted, which includes rehabilitation, alteration, conversion, and improvement of existing structures.

In defining academic facilities present law excludes facilities used or to be used by a school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry or public health as defined in section 724 of the Public Health Service Act or school of nursing as defined in section 843 of such Act. The bill would permit such facilities to be "academic facilities" to the extent that such a facility is included in a project designed to increase the energy efficiency of academic facilities.

Where section 704(b) now requires the Commissioner to approve a State plan if he determines it complies with the title, such section is amended to provide that the Commissioner may not disapprove a State plan unless he determines, after opportunity for hearing and comment, that the plan is inconsistent with specific provisions of the title.

Under present law, 24 per cent of the appropriation is allotted under section 702 for public community colleges and technical institutes. The bill permits the Commissioner to direct a larger percentage of the appropriations to these institutions.

This section amends the provisions for loans to provide that eligibility for loans is based on the project reaching the results referred to in clauses (1), (2), (3), or (4) of section 705.

Section 127. Graduate programs.—This section amends title IX of the Act relating to graduate fellowships for careers in postsecondary education so as to extend the present program through fiscal year 1977.

Section 128. Community colleges and occupational education.—Present law requires submission of a statewide plan for the expansion or improvement of postsecondary education programs in community colleges. It provides, further, that the Commissioner may not approve the plan unless he determines that it fulfills the State plan requirements contained in this section. This section amends this provision so as to provide that the Commissioner may not disapprove a plan unless he determines, after an opportunity for public hearing and comment, that it is inconsistent with such State plan requirements.

Subsection (b) extends through fiscal year 1977 the present authorization of appropriations of $150,000,000 for the program of grants to community colleges contained in subpart 2 of part A of title X of the Act.

Under the present law, three types of grants are authorized. These are establishment grants, expansion grants, and grants for the leasing of facilities in connection with activities under the two other grant programs. Subsection (c) of this section rewrites the expansion grant section. The new section sets forth two purposes for expansion grants. The first of these, provided for in subsection (b), is to assist institutions in modifying their educational programs and educational delivery systems to provide educational programs especially suited to those persons whose educational needs have been inadequately served. Specially mentioned are the handicapped, older persons, part-time students, and others who otherwise would be unlikely to continue their education. The programs may include methods to eliminate barriers to student access.

The second purpose for which expansion grants may be made is to assist institutions to expand their enrollment capacity or to establish new educational sites. Grants related to facilities can be made only after an exploration has been made of the possibilities of using existing facilities in existing campuses, or in the community, after an exploration has been made of the willingness of other nearby institutions to provide educational programs, or space, or other components of educational delivery systems.

The new section includes a priority provision under which programs for the first purpose described above for expansion grants must be funded before programs for other activities under subpart 2. All expansion grants must be consistent with the State plan.

Subsection (d) of this section amends the provisions for grants for leasing facilities. The grants could be made for a period of only three years, rather than five years as in existing law. The maximum Federal share is fixed at 90 per centum for the first year, 50 per centum for the second year, and 10 per centum for the third year. In contrast, present law fixes 70 per centum for the first year, 40 per centum for the second, 30 per centum for the third, and 10 per centum for the fourth year.

Subsection (e) amends the definition of community college to substitute for the reference to students "at least 18 years of age" a reference to students "beyond the age of compulsory school attendance." Present law requires that for an institution to be a community college which is eligible for assistance under this title it must not only offer a program leading to an associate degree or acceptable for credit toward a bachelor's degree, but also must provide programs of postsecondary vocational, technical, occupational, and specialized education. This latter requirement is dropped by the amendment.

Section 129. Occupational education.—This section extends through fiscal year 1977 the present authorization for Part B of title X.

Section 130. Repealer.—This section repeals the Law School Clinical Experience program (title XI).

Sec. 131. Definitions.—One of the elements of the definition of the term "institution of higher education" is that such an institution admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate. This section broadens the definition to include public or nonprofit institutions which admit as regular students persons who are beyond the compulsory school attendance age in the State, and who have the ability to benefit from the training offered by the institution.

Section 132. Funding requirements.—This section adds a new section at the end of title XII which provides that in any year in which the aggregate appropriations for student assistance programs under title IV (other than the GSLP) exceed $2,500,000,000 no part of such excess may be used unless the aggregate appropriations for title I (Extension and Continuing Education), part C of title VII (Loans for Construction), and part A of title X (Establishment and Expansion of Community Colleges) are at least equal to such excess, within the limits authorized for those titles and parts.

TITLE II—AMENDMENTS TO OTHER ACTS

Section 201. National Defense Education Act; Foreign studies and language development.—This section establishes a new program in title VI of the National Defense Education Act of 1958 for foreign studies by inserting a new section 603. Subsection (a) of the new section contains a Congressional finding with respect to the interdependence of nations and citizens in today's world and recognizing the citizens' need for better access to information.

Under subsection (b) the Commissioner is authorized to carry out programs to increase the understanding of students in our Nation of cultures and actions of other nations to better evaluate the international and domestic impact of major national policies. These programs may be carried out by both public and private agencies and may include in-service training and orientation for educational personnel, curriculum development, preparation of instructional materials, and dissemination of information. The program may be carried out at any level, and may constitute a part of community, adult, and continuing education programs. Coordination with other programs is required.

Section 603 of existing law is amended to continue through fiscal year 1977 the present level of authorizations, but with the additional provision that the new program may not be funded until the existing programs have been funded at least at the level of $15,000,000.

Section 202. General Education Provisions Act.—This section amends section 404 of the General Education Provisions Act (relating to financial assistance educational institutions and agencies to improve postsecondary education) to continue the authorization of appropriations through fiscal year 1977 at the present level of $75,000,000, and gives statutory status to the name of the "Fund for the Improvement of Postsecondary Education".

Section 203. College Assistance Migrant Programs.—The Secretary of Labor is directed by this section to administer and fund the high school equivalency program and college assistance migrant program (HEP and CAMP) from funds appropriated for section 303 of the Comprehensive Employment and Training Act of 1973. Such funding must for fiscal year 1977 be at the level maintained for these programs in fiscal year 1976.

The Commissioner is given 180 days from enactment to prepare and report on these programs in consultation with the Secretary of Labor. The purpose of the report is to examine the programs to determine if and to what extent the program should be restructured and administered by the Office of Education.

Changes in Existing Law Made by the Bill, As Reported

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Higher Education Act of 1965

* * * * * * *

TITLE I—COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS

APPROPRIATIONS AUTHORIZED

Sec. 101. For the purpose of (*1*) assisting the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner to make grants under this title to strengthen community service programs of colleges and universities, (*2*) *supporting the expansion of continuing education in colleges and universities, and* (*3*) *resource materials sharing programs*, there are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1972, $30,000,000 for [this] *the* fiscal year ending June 30, 1973, $40,000,000 for the fiscal year ending June 30, 1974 [and] $50,000,000 for the fiscal year ending June 30, 1975, *$50,000,000 for the fiscal year ending June 30, 1976, and $60,000,000 for the fiscal year ending September 30, 1977.*

DEFINITION OF COMMUNITY SERVICE PROGRAM *AND CONTINUING EDUCATION PROGRAM*

SEC. 102. (*a*) For purposes of this title, the term "community service program" means an educational program, activity, or service, including a research program and a university extension or continuing education offering, which is designed to assist in the solution of community problems in rural, urban, or suburban areas, with particular emphasis on urban and suburban problems, where the institution offering such program, activity, or service determines—

(1) that the proposed program, activity, or service is not otherwise available, and

(2) that the conduct of the program or performance of the activity or service is consistent with the institution's over-all educational program and is of such a nature as is appropriate to the effective utilization of the institution's special resources and the competencies of its faculty.

Where course offerings are involved, such courses must be university extension or continuing education courses and must be—

(A) fully acceptable toward an academic degree, or

(B) of college level as determined by the institution offering such courses.

(b) For purposes of this title, the term "continuing education program" means postsecondary courses of instruction which represent an increase in an institution's effort to meet educational needs and interests of adults, especially adults who are not adequately served by present educational course offerings conveniently available to them in their communities.

(c) For purposes of this title, the term "resource materials sharing programs" means planning, developing, and increasing the use of community learning resources by finding ways that combinations of agencies, institutions, and organizations can make better use of educational materials, communications technology, local facilites, and such human resources as will expand learning opportunities for persons in the area being served.

ALLOTMENTS TO STATES

SEC. 103. (a) From the sums appropriated pursuant to section 101 for any fiscal year which are not reserved under section 106(a), the Commissioner shall allot [$25,000 each to] *to each State,* Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands [and $100,000 to each of the other States, and he shall allot to each State] an amount which bears the same ratio to [the remainder of such sums as the population of the State bears to the population of all States] *such amount as the population of each of those States or sovereignties bears to the population of all the States, Guam, American Samoa, the Commonwealth of Puerto Rico, and the Virgin Islands, except that no State shall be allotted less than $100,000, and Guam, American Samoa, the Virgin Islands, and the Commonwealth of Puerto Rico shall each be allotted no less than $25,000. For purposes of this section, the term "State" shall not include the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands.*

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commissioner determines will not be required for such fiscal year for carrying out the State plan (if any) approved under this title shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such subsection for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly realloted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year from funds appropriated pursuant to section 101 shall be deemed part of its allotment under subsection (a) for such year.

(c) In accordance with regulations of the Commissioner, any State may file with him a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing community service programs under this title. If it is found by the Commissioner that the programs with respect to which the request is made would meet needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this title, such portion of such State's allotment shall be added to the allotment of the other State under this title to be used for the purpose referred to above.

(d) The population of a State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available from the Department of Commerce.

USES OF ALLOTTED FUNDS

Sec. 104. A State's allotment under section 103 may be used, in accordance with its State plan approved under section 105(b), to provide new, expanded, or improved community service, *continuing education and resource materials sharing* programs.

STATE PLANS

[Sec. 105. (a) Any State desiring to receive its allotment of Federal funds under this title shall designate or create a State agency or institution which has special qualifications with respect to solving community problems and which is broadly representative of institutions of higher education in the State which are competent to offer community service programs and shall submit to the Commissioner through the agency or institution so designated a State plan. If a State desires to designate for the purpose of this section an existing State agency or institution which does not meet these requirements, it may do so if the agency or institution takes such action as may be necessary to acquire such qualifications and assure participation of such institutions, or if it designates or creates a State advisory council which meets the requirements not met by the designated agency or institution to consult with the designated agency or institution in the preparation of the State plan. A State plan submitted under this title shall be in such detail as the Commissioner deems necessary and shall—]

SEC. 105. (a) Any State desiring to receive its allotment of Federal funds under this title for use in community service, continuing education and resource materials sharing programs shall designate or create a State agency which has special qualifications with respect to continuing education programs and to solving community problems, and which is broadly representative of institutions of higher education in the State which are competent to offer community service, continuing education and resource materials sharing programs. If a State desires to designate for the purpose of this section an existing State agency which does not meet these requirements, it may do so if the agency designates or creates a State advisory council which meets the requirements not met by the designated agency to consult with the designated agency in the preparation of the State plan. The State agency so designated or created shall submit to the Commissioner a State plan which shall include—

(1) [provide] *a provision* that the agency [or institution] so designated or created shall be the sole agency for administration of the plan or for supervision of the administration of the plan; and [provide] *a provision* that such agency [or institution] shall consult with any State advisory council required to be created by this section with respect to policy matters arising in the administration of such plan;

(2) [set forth] a comprehensive, coordinated, and statewide system of community service, *continuing education and resource materials sharing* programs under which funds paid to the State (including funds paid to an institution *a combination* pursuant to section 107(c)) under its allotments under section 103 will be expended solely for community service, *continuing education and resource materials sharing* programs which have been approved by the agency [or institution] administering the plan (except that if a comprehensive, coordinated, and statewide system of community service, *continuing education and resource materials sharing* programs cannot be effectively carried out by reason of insufficient funds, the plan may set forth one or more proposals for community service, *continuing education and resource materials sharing* programs in lieu of a comprehensive, coordinated, statewide system of such programs);

(3) set forth the policies and procedures to be followed in allocating Federal funds to institutions of higher education *and combinations thereof* in the State, which policies and procedures shall insure that due consideration will be given—

(A) to the relative capacity and willingness of particular institutions of higher education *and combinations thereof* (whether public or private) to provide effective community service, *continuing education and resource materials sharing* programs;

(B) to the availability of and need for community service, *continuing education and resource materials sharing* programs among the population within the State; and

(C) to the results of periodic evaluations of the programs carried out under this title [in the light of information regarding current and anticipated community problems in the State];

(4) [set forth policies and procedures designed to assure] *assurances* that Federal funds made available under this title will be so used as not to supplant State or local funds, or funds of institutions of higher education, but to supplement and, to the extent practicable, to increase the amounts of such funds that would in the absence of such Federal funds be made available for community service, *continuing education and resource materials sharing* programs;

(5) [set forth] such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State [(including such funds paid by the State or by the Commissioner to institutions of higher education)] *or paid by the State to institutions of higher education or combinations thereof* under this title; and

[(6) provide for making such reports in such form and containing such information as the Commissioner may reasonably require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.]

(6) assurances that all institutions of higher education in the State have been given the opportunity to participate in the development of the State plan.

(b) The Commissioners shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

(c) The Commissioner shall not by standard, rule, regulation, guideline, or any other means, either formal or informal, require a State to make any agreement or submit any data which is not specifically required by this section.

PAYMENTS

SEC. 107. (a) Except as provided in subsection (b), payment under this title shall be made to those State agencies [and institutions] which administer plans approved under section 105(b). Payments under this title from a State's allotment with respect to the cost of developing and carrying out its State plan shall equal 75 per centum of such costs for the fiscal year ending June 30, 1966, 75 per centum of such costs for the fiscal year ending June 30, 1967, 50 per centum of such costs for the fiscal year ending June 30, 1968, and 66⅔ per centum of such costs for fiscal years ending on or after June 30, 1969, except that no payments for any fiscal year shall be made to any State with respect to expenditures for developing and administering the State plan which exceed 5 per centum of the costs for that year for which payment under this subsection may be made to that State, or [$25,000] *$40,000*, whichever is the greater. In determining the cost of developing and carrying out a State's plan, there shall be excluded any cost with respect to which payments were received under any other Federal program.

(b) No payments shall be made to any State from its allotments for any fiscal year unless and until the Commissioner finds that the institutions of higher education which will participate in carrying out the State plan for that year will together have available during that year for expenditure from non-Federal sources for college and university extension and continuing education programs not less than the total amount actually expended by those institutions for college and university extension and continuing education programs from such sources during the fiscal year ending June 30, 1965, plus an amount equal to not less than the non-Federal share of the costs with respect to which payment pursuant to subsection (a) is sought.

(c) Payments to a State under this title may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments, and they may be paid directly to the State or to one or more participating institutions of higher education *or combination thereof* designated for this purpose by the State, or to both.

ADMINISTRATION OF STATE PLANS

SEC. 108. (a) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State agency [or institution] submitting the plan reasonable notice and opportunity for a hearing.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency [or institution] administering a State plan approved under section 105(b), finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 105(a), or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify the State agency [or institution] that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply.

[JUDICIAL REVIEW

[SEC. 109. (a) If any State is dissatisfied with the Commissioner's final action with respect to the approval of its State plan submitted under section 105(a) or with his final action under section 108(b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which the State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

[(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

[(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.]

JUDICIAL REVIEW

Sec. 109. If a State's plan is not approved under section 105(b) or a State's eligibility is suspended from participation in the program as a result of the Commissioner's action under section 108(b), the State may within sixty days after notice of the Commissioner's decision institute a civil action in an appropriate United States district court. Such suit in the district court shall proceed in all respects like other civil suits seeking similar relief except that the Commissioner shall have the burden of proof that the State plan submitted under section 105(a) or the State's administration of such plan is at variance with the provisions of this title.

SPECIAL PROGRAMS AND PROJECTS RELATING TO PROBLEMS OF THE ELDERLY

SEC. 110. (a) The Commissioner is authorized to make grants to institutions of higher education (and combinations thereof) to assist such institutions in planning, developing, and carrying out, consistent with the purpose of this title, programs specifically designed to apply the resources of higher education to the problems of the elderly, particularly with regard to transportation and housing problems of elderly persons living in rural and isolated areas.

(b) For purposes of making grants under this section, there are authorized to be appropriated such sums as may be necessary for the fiscal year ending June 30, 1973, and each succeeding fiscal year ending prior to July 1, 1977.

(c) In carrying out the program authorized by this section, the Commissioner shall consult with the Commissioner of the Administration on Aging for the purpose of coordinating, where practicable, the programs assisted under this section with the programs assisted under the Older Americans Act of 1965.

TECHNICAL ASSISTANCE

Sec. 111. For any fiscal year for which there is appropriated more than $15,000,000 pursuant to section 101, the Commissioner is authorized to reserve not in excess of 5 per centum of the amount appropriated and, from the funds so reserved, the Bureau of Postsecondary Education shall make available technical assistance to the States and to institutions of higher education. Such technical assistance shall—

(1) provide a national diffusion network to help assure that effective programs are known among such States and institutions;

(2) assist with the improvement of planning and evaluation procedures; and

(3) provide information about the changing enrollment patterns in postsecondary institutions, and provide assistance to such

States and institutions in their efforts to understand these changing patterns and to accommodate them.

NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION

SEC. **[**111.**]** *112.* (a) The President shall, within ninety days of enactment of this title, appoint a National Advisory Council on Extension and Continuing Education (thereafter referred to as the "Advisory Council"), consisting of **[**the Commissioner, who shall be Chairman,**]** one representative each of the Department of Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Office of Economic Opportunity, and of such other Federal agencies having extension education resonsibilities as the President may designate, and twelve members appointed, for staggered terms and without regard to the civil service laws, by the President. Such twelve members shall, to the extent possible, include persons knowledgeable in the fields of extension and continuing education, State and local officials, and other persons having special knowledge, experience, or qualification with respect to community problems, and persons representative of the general public. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

(b) The Advisory Council shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State plans under section 105(b), and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering extension or continuing education activities and services.

(e) The Advisory Council shall review the administration and effectiveness of all federally supported extension and continuing education programs, including community service programs, make recommendations with respect thereto, and make annual reports, commencing on March 31, 1967, of its findings and recommendations (including recommendations for changes in the provisions of this title and other Federal laws relating to extension and continuing education activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

(f) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency. **[**Subject to section 448(b) of the General Education Provisions Act, the Advisory Council shall continue to exist through June 30, 1975.**]**

RELATIONSHIP TO OTHER PROGRAMS

SEC. **[**112.**]** *113.* Nothing in this title shall modify authorities under the Act of February 23, 1917 (Smith-Hughes Vocational Education Act), as amended (20 U.S.C. 11–15, 16–28); the Vocational Education Act of 1946, as amended (20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj, and

15aaa–15ggg); the Vocational Education Act of 1963 (20 U.S.C. 35–35n); title VIII of the Housing Act of 1964 (Public Law 88–560); or the Act of May 8, 1914 (Smith-Lever Act), as amended (7 U.S.C. 341–348).

LIMITATIONS

SEC. [113.] *114.* No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity.

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TITLE II—COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH

COLLEGE LIBRARY PROGRAMS; TRAINING; RESEARCH

SEC. 201. (a) The Commissioner shall carry out a program of financial assistance—

(1) to assist and encourage institutions of higher education in the acquisition of library resources, including law library resources, in accordance with part A; and

(2) to assist with and encourage research and training persons in librarianship, including law librarianship, in accordance with part B.

(b) For the purpose of making grants under parts A and B, there are authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1973, $85,000,000 for the fiscal year ending June 30, 1974, and $100,000,000 [for the fiscal year ending June 30, 1975] *for each succeeding fiscal year ending on or before September 30, 1977.* Of the sums appropriated pursuant to the preceding sentence for any fiscal year, 70 per centum shall be used for the purposes of part A and 30 per centum shall be used for the purposes of part B, except that the amount available for the purposes of part B for any fiscal year shall not be less than the amount appropriated for such purposes for the fiscal year ending June 30, 1972.

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[PART C—STRENGTHENING COLLEGE AND RESEARCH LIBRARY RESOURCES

[APPROPRIATIONS AUTHORIZED

[SEC. 231. There are hereby authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1966, $6,315,000 for the fiscal year ending June 30, 1967, $7,700,000 for the fiscal year ending June 30, 1968, $6,000,000 for the fiscal year ending June 30, 1969, $11,000,000 for the fiscal year ending June 30, 1970, and $9,000,000 for the fiscal year ending June 30, 1972, $12,000,000 for the fiscal year ending June 30, 1973, $15,000,000 for the fiscal year ending June 30, 1974, and $9,000,000 for the fiscal year ending June 30, 1975, to enable the Commissioner to transfer funds to the Librarian of Congress for the purpose of—

[(1) acquiring, so far as possible, copies of all library materials currently published throughout the world which are of value to scholarship;

[(2) providing catalog information promptly and distributing this and other bibliographic information about library materials by printing catalog cards and by other means, and enabling the Library of Congress to use for exchange and other purposes such of these materials as are not needed for its own collections; and

[(3) enabling the Librarian of Congress to pay administrative costs of cooperative arrangements for acquiring library materials published outside of the States and not readily obtainable outside of the country of origin, for institutions of higher education or combinations thereof for library purposes, or for other public or private nonprofit research libraries.

[EVALUATION AND REPORT

[SEC. 232. No later than March 31 of each calendar year the Librarian of the Congress shall transmit to the respective committees of the Congress having legislative jurisdiction over this part and to the respective Committees on Appropriations of the Congress a report evaluating the results and effectiveness of acquisition and cataloging work done under this part, based to the maximum extent practicable on objective measurements, including costs, together with recommendations as to proposed legislative action.]

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

AUTHORIZATION

SEC. 301. (a) The Commissioner shall carry out a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life.

(b)(1) For the purpose of carrying out this title, there are authorized to be appropriated $120,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to [July 1, 1975.] *October 1, 1977.*

(2) Of the sums appropriated pursuant to this subsection for any fiscal year, 76 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

* * * * * * *

ELIGIBILITY FOR SPECIAL ASSISTANCE

SEC. 302. (a)(1) For the purposes of this title, the term "developing institution" means an institution of higher education in any State which—

(A) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or is a junior or community college;

(B) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(C) except as is provided in paragraph (2), has met the requirement of clauses (A) and (B) during the five academic years preceding the academic year for which it seeks assistance under this title; and

(D) meets such other requirements as the Commissioner shall prescribe by regulation, which requirements shall include at least a determination that the institution—

(i) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services; and

(ii) is, for financial or other reasons, struggling for survival and isolated from the main currents of academic life.

(2) The Commissioner is authorized to waive the requirements set forth in clause (C) of paragraph (1) in the case of applications for grants under this title by institutions located on or near an Indian reservation or a substantial population of Indians if the Commissioner determines such action will increase higher education for Indians [except that such grants may not involve an expenditure of funds in excess of 1.4 per centum of the sums appropriated pursuant to this title for any fiscal year]. The Commissioner is authorized to waive three years of the requirements set forth in clause (C) of paragraph (1) in the case of applications for grants under this title by institutions if the Commissioner determines such action will substantially increase higher education for Spanish-speaking people.

(b) Any institution desiring special assistance under the provisions of this title shall submit an application for eligibility to the Commissioner at such time, in such form, and containing such information, as may be necessary to enable the Commissioner to evaluate the need of the applicant for such assistance and to determine its eligibility to be a developing institution for the purposes of this title. The Commissioner shall approve any application for eligibility under this subsection which indicates that the applicant is a developing institution meeting the requirements set forth in subsection (a).

(c) For the purposes of clause (A) of paragraph (1) of subsection (a) of this section, the term "junior or community college" means an institution of higher education—

(1) which does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree);

(2) which admits as regular students only persons having a certificate of graduation from a school providing secondary education (or the recognized equivalent of such a certificate); and

(3) which does—

(A) provide an educational program of not less than two years which is acceptable for full credit toward such a degree, or

(B) offer a two-year program in engineering, mathematics, or the physical or biological sciences, which program is designed to prepare a student to work as a technician and at the semiprofessional level in engineering, scientific, or other technological fields, which fields require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

* * * * * * *

SUBPART 1—BASIC EDUCATIONAL OPPORTUNITY GRANTS

BASIC EDUCATIONAL OPPORTUNITY GRANTS: AMOUNT AND DETERMINATIONS; APPLICATIONS

SEC. 411. (a)(1) The Commissioner shall, during the period beginning July 1, 1972, and ending [June 30, 1975,] *September 30, 1977*, pay to each student who has been accepted for enrollment in, or is in good standing at, an institution of higher education (according to the prescribed standards, regulations, and practices of that institution) for each academic year during which that student is in attendance at that institution, as an undergraduate, a basic grant in the amount for which that student is eligible, as determined pursuant to paragraph (2).

* * * * * * *

(3)(A)(i) Not later than [February 1 of each year the Commissioner shall publish in the Federal Register a schedule of expected family contributions for the succeeding academic year for various levels of family income, which, except as is otherwise provided in division (ii), together with any amendments thereto, shall become effective July 1 of that year.] *July 1 of each calendar year, the Commissioner shall publish in the Federal Register a schedule of expected family contributions for the academic year which begins after July 1 of the calendar year which succeeds such calendar year for various levels of family income, which, except as is otherwise provided in division (ii), together with any amendments thereto, shall become effective July 1 of the calendar year which succeeds such calendar year.* During the thirty-day period following such publication the Commissioner shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule.

(ii) The schedule of expected family contributions required by division (i) for each academic year shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than [February 1 of that year.] *the time of its publication in the Federal Register.* If either the Senate or the House of Representatives adopts, prior to [May 1 of such year.] *the first day of October next following the submission of said schedule as required by this division.* a resolution of disapproval of such schedule, the Commissioner shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in *either House in* connection with such resolution and shall become effective, together with any amendments thereto, [on July 1 of that year.] *with respect to grants to be made on or after the first day of July next following. The Commissioner shall publish in the Federal Register, together with such new schedule, a full statement identifying the recommendations made in either House in connection with such resolution of disapproval and explaining in full any discrepancy between the new schedule and such recommendations.*

(B)(i) For the purposes of this paragraph and subsection (b), the term "family contribution" with respect to any student means the amount which the family of that student may be reasonably expected to contribute toward his postsecondary education for the academic year for which the determination under subparagraph (A) of paragraph (2) is made, as determined in accordance with regulations. In promulgating such regulations, the Commissioner shall follow the basic criteria set forth in division (ii) of this subparagraph.

(ii) The basic criteria to be followed in promulgating regulations with respect to expected family contributions are as follows:

(I) The amount of the effective income of the student or the effective family income of the student's family.

(II) The number of dependents of the family of the student.

(III) The number of dependents of the student's family who are in attendance in a program of postsecondary education and for whom the family may be reasonably expected to contribute for their postsecondary education.

(IV) The amount of the assets of the student and those of the student's family.

(V) Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe.

(VI) Any educational expenses of other dependent children in the family.

(iii) For the purposes of clause (I) of division (ii), the term "effective family income" with respect to a student means the annual adjusted family income, as determined in accordance with regulations prescribed by the Commissioner, received by the parents or guardian of that student (or the person or persons having an equivalent relationship to such student), *and including any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code*, minus Federal income tax paid or payable with respect to such income.

[(iv) In determining the expected family contribution with respect to any student, any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student, and one-half any amount paid the student under chapters 34 and 35 of title 38, United States Code, shall be considered as effective income for such student.]

* * * * * * *

(b)(1) The Commissioner shall from time to time set dates by which students must file applications for basic grants under this subpart.

(2) Each student desiring a basic grant for any year must file an application therefor containing such information and assurances as

the Commissioner may deem necessary to enable him to carry out his functions and responsibilities under this subpart.

(3) (A) Payments under this section shall be made in accordance with regulations promulgated by the Commissioner for such purpose, in such manner as will best accomplish the purposes of this section.

(B) (i) If, during any period of any fiscal year, the funds available for payments under this subpart are insufficient to satisfy fully all entitlements under this subpart, the amount paid with respect to each such entitlement shall be—

(I) in the case of any entitlement which exceeds $1,000, 75 per centum thereof;

(II) in the case of any entitlement which exceeds $800 but does not exceed $1,000, 70 per centum thereof;

(III) in the case of any entitlement which exceeds $600 but does not exceed $800, 65 per centum thereof; and

(IV) in the case of any entitlement which does not exceed $600, 50 per centum thereof.

[(ii) If, during any period of any fiscal year, funds available for making payments under this subpart exceed the amount necessary to make the payments prescribed in division (i), such excess shall be paid with respect to each entitlement under this subpart in proportion to the degree to which that entitlement is unsatisfied, after payments are made pursuant to division (i).**]**

[(iii)**]** *(ii)* In the event that, at the time when payments are to be made pursuant to this subparagraph (B), funds available therefor are insufficient to pay the amounts set forth in division (i), the Commissioner shall pay with respect to each entitlement an amount which bears the same ratio to the appropriate amount set forth in division (i) as the total amount of funds so available at such time for such payments bears to the amount necessary to pay the amounts indicated in division (i) in full.

[(iv)**]** *(iii)* No method of computing or manner of distribution of payments under this subpart shall be used which is not consistent with this subparagraph.

[(v)**]** *(iv)* In no case shall a payment under this subparagraph be made if the amount of such payment after application of the provisions of this subparagraph is less than $50.

(4) If the funds available for making payments under this subpart exceed the amount necessary to make prescribed payments to eligible students, then such excess funds shall remain available for making payments under this subpart during the next succeeding fiscal year.

[(4)**]** *(5)* No payments may be made on the basis of entitlements established under this subpart during any fiscal year ending prior to **[**July 1, 1975,**]** *October 1, 1977*, in which—

(A) the appropriation for making grants under subpart 2 of this part does not at least equal $130,093,000; and

(B) the appropriation for work-study payments under section 441 of this title does not at least equal $237,400,000; and

(C) the appropriation for capital contributions to student loan funds under part E of this title does not at least equal $286,000,000.

(c)(1) The Commissioner shall enter into agreements with not less than two or more than five States for the processing by such States of all applications of their residents (through an instrumentality or agent selected by such State) for grants made under this subpart for the academic year beginning after July 1, 1977: Provided, That any State grants which are subsidized in part by Federal funds, during the period for which State processing of basic education opportunity grant applications is carried out by the State, will be available to eligible State residents for use at the majority of educational institutions outside that State which are eligible institutions under subpart 1 of this title. Such agreements shall be for a period of not less than three years. No later than September 1, 1978, the Commissioner shall report to the Congress on the experience with multiple State processing, including its impact on the delivery of student aid to students, and including recommendations concerning whether the option of processing applications for grants under this subpart should be made available to all States having the capacity to do so.

(2) Any State entering into an agreement with the Commissioner shall—

(A) not be required, without the State's consent, to perform services in excess of those required of any private agency or organization with whom the Commissioner has a contract to perform similar application processing, except such additional services, which may be necessary to produce processing services of a type and quality equivalent to those produced, through the same or other means; and

(B) be required to determine student eligibility for awards under this subpart solely on the basis of criteria set forth in this subpart and regulations promulgated by the Commissioner pursuant thereto.

(3) The Commissioner shall promulgate such regulations as may be necessary—

(A) to determine a fair per unit fee for application processing which, if the Commissioner has a contract with an agency or organization to perform similar application processing, shall be no less than the amount paid by the Commissioner per application for the same academic year to any such agency or organization; and

(B) to otherwise carry out the purposes of this subsection.

(4) Nothing contained in this section or other enactments of law shall be construed to prohibit any eligible State under subsection (c) of this section from—

(A) employing student application forms that solicit information required for both the determination of eligibility under this subpart and for the determination of eligibility under the postsecondary educational grant programs of such State; and

(B) coordinating the eligibility announcements of State postsecondary educational grants and grants under this subpart.

(5) No State which enters into an agreement with the Commissioner may impose any fee or other charge upon a student for processing of the student's application for a grant under this subpart.

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SUBPART 2—SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

PURPOSE; APPROPRIATIONS AUTHORIZED

SEC. 413A. (a) It is the purpose of this subpart to provide, through institutions of higher education, supplemental grants to assist in making available the benefits of postsecondary education to qualified students who, for lack of financial means, would be unable to obtain such benefits without such a grant.

(b)(1) For the purpose of enabling the Commissioner to make payments to institutions of higher education which have made agreements with the Commissioner in accordance with section 413C(b), for use by such institutions for payments to undergraduate students for the initial academic year of a supplemental grant awarded to them under this subpart, there are authorized to be appropriated $200,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to **[**July 1, 1975**]** *October 1, 1977*. Funds appropriated pursuant to this paragraph shall be appropriated separate from any funds appropriated pursuant to paragraph (2).

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SUBPART 3—GRANTS TO STATES FOR STATE STUDENT INCENTIVES

PURPOSE; APPROPRIATIONS AUTHORIZED

SEC. 415A. (a) * * *

(b)(1) There are **[**hereby**]** authorized to be appropriated **[**$50,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to July 1, 1975**]** *for the fiscal years ending prior to October 1, 1977, such sums as may be necessary* for payments to the States for *incentive* grants to students **[**who have not previously been awarded such grants**]**.

[(2) In addition to the sums authorized to be appropriated pursuant to paragraph (1), there is authorized to be appropriated such sums as may be necessary for making payments to States to continue their grants to students made with incentive grants received by such States for previous years pursuant to paragraph (1).**]**

[(3)**]** *(2)* Sums appropriated pursuant to paragraph (1) for any fiscal year shall remain available for payments to States for the award of student grants under this subpart until the end of the fiscal year succeeding the fiscal year for which such sums were appropriated.

[(4) For the purposes of this subsection, a payment on the first year of a student grant with respect to any student who has not been awarded a grant from appropriations pursuant to paragraph (1) during any previous year shall be considered, subject to regulations of the Commissioner, an initial award to be paid from appropriations pursuant to paragraph (1).**]**

ALLOTMENT AMONG STATES

SEC. 415B. (a)(1)**[**(A)**]** From the sums appropriated pursuant to section 415A(b)(1) for any fiscal year, the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the number of students in attendance at institutions of higher education in such State bears to the total number of such students in such attendance in all the States.

[(B)**]***(2)* For the purposes of this paragraph, the number of students in attendance at institutions of higher education in a State and in all the States shall be determined by the Commissioner for the most recent year for which satisfactory data are available to him.

[(2)**]***(b)* The amount of any State's allotment under paragraph (1) for any fiscal year which the Commissioner determines will not be required for such fiscal year for the State student grant incentive program of that State shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to other States in proportion to the original allotments to such States under such part for such year, but with such proportionate amount for any of such States being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year for carrying out the State plan; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this part during a year from funds appropriated pursuant to section 415A(b)(1) shall be deemed part of its allotment under paragraph (1) for such year.

[(b) Sums appropriated pursuant to section 415(A)(b)(2) for any fiscal year shall be allotted among the States in such manner as the Commissioner determines will best achieve the purposes for which such sums were appropriated.

[(c) The Commissioner shall make payments for continuing incentive grants only to those States which continue to meet the requirements of section 415C(b) (1), (2), (3), and (5).**]**

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SUBPART 4—SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

PROGRAM AUTHORIZATION

SEC. 417A. (a) The Commissioner shall, in accordance with the provisions of this subpart, carry out a program designed to identify qualified students from low-income families, to prepare them for a program of postsecondary education, and to provide special services for such students who are pursuing programs of postsecondary education.

(b) For the purpose of enabling the Commissioner to carry out this subpart, there are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973, **[**and**]** for each of the succeeding fiscal years ending prior to July 1, 1975 *$60,000,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $250,000,000 for the fiscal year ending September 30, 1977.*

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VETERANS' COST-OF-INSTRUCTION PAYMENTS TO INSTITUTIONS OF HIGHER EDUCATION

SEC. 420. (a)(1) During the period beginning July 1, 1972, and ending **[**June 30, 1975.**]** *September 30, 1977*, each institution of higher education shall be entitled to a payment under, and in accordance with, this section during any fiscal year if—

(A) the number of persons who are veterans receiving vocational rehabilitation under chapter 31 of title 38, United States Code, or veterans receiving educational assistance under chapter 34 of such title, and who are in attendance as undergraduate students at such institution during any academic year, equals at least—

(i) 110 per centum of the number of such recipients who were in attendance at such institution during the preceding academic year, or

(ii) 10 per centum of the total number of undergraduate students in attendance at such institution during such academic year and if such number does not constitute a per centum of such undergraduate students which is less than such per centum for the preceding academic year; and

(B) the number of such persons is at least 25.

(2) During the period specified in paragraph (1), each institution which has qualified for a payment under this section for any year shall be entitled during the succeeding year, notwithstanding paragraph (1), to a payment under and in accordance with this section, if the number of persons referred to in such paragraph (1) equals at least the number of such persons who were in attendance at such institution during the preceding academic year or equals at least the minimum number of such persons necessary to establish eligibility to entitlement under paragraph (1) during the preceding academic year, whichever is less. Each institution which is entitled to a payment for any fiscal year by reason of the preceding sentence shall be deemed, for the purposes of any such year succeeding the year for which it is so entitled, to have been entitled to a payment under paragraph (1) during the preceding fiscal year.

(3) During the period beginning July 1, 1976, and ending September 30, 1977, each institution which has qualified for payment under this section for the preceding year shall be entitled during the succeeding year, notwithstanding paragraph (1), to a payment under this section if the number of persons referred to in such paragraph (1) equals whichever is the lesser of (A) at least the number of such persons who were in attendance at such institution during the preceding academic year less the number of such persons whose eligibility for educational assistance under chapter 34 of title 38, United States Code, expired on May 31, 1976, by virtue of section 1662(c) of such title, or (B) at least the minimum number of such persons necessary to establish eligibility to entitlement under paragraph (1) during the preceding academic year less the number of such persons whose eligibility for educational assistance under chapter 34 of title 38, United States Code, expired on May 31, 1976, by virtue of section 1662(c) of such title.

* * * * * * *

(b)(1) The amount of the payment to which any institution shall be entitled under this section for any fiscal year shall be—

(A) $300 for each person who is a veteran receiving vocational rehabilitation under chapter 31 of title 38, United States

Code, or a veteran receiving educational assistance under chapter 34 of such title 38, and who is in attendance at such institution as an undergraduate student during such year: and

(B) in addition, $150, except in the case of persons on behalf of whom the institution has received a payment in excess of $150 under section 419, for each person who has been the recipient of educational assistance under subchapter V or subchapter VI of chapter 34 of such title 38, and who is in attendance at such institution as an undergraduate student during such year.

(2) In any case where a person on behalf of whom a payment is made under this section attends an institution on less than a full-time basis, the amount of the payment on behalf of that person shall be reduced in proportion to the degree to which that person is not attending on a full-time basis.

(c) (1) An institution of higher education shall be eligible to receive the payment to which it is entitled under this section only if it makes application therefor to the Commissioner. An application under this section shall be submitted at such time or times, in such manner, in such form and containing such information as the Commissioner determines necessary to carry out his functions under this title, and shall—

(A) meet the requirements set forth in clauses (A) and (B) of section 419(c)(1);

(B) set forth such plans, policies, assurances, and procedures as will insure that the applicant will make an adequate effort—

(i) to maintain a full-time office of veterans' affairs which has responsibility for veterans' outreach, recruitment, and special education programs, including the provision of educational, vocational, and personal counseling for veterans.

(ii) to carry out programs designed to prepare educationally disadvantaged veterans for postsecondary education (I) under subchapter V of chapter 34 of title 38, United States Code, and (ii) in the case of any institution located near a military installation, under subchapter VI of such chapter 34,

(iii) to carry out active outreach (*with special emphasis on educationally disadvantaged veterans*) recruiting, and counseling activities through the use of funds available under federally assisted work-study programs (*with special emphasis on the veteran-student services program under section 1685 of such title 38*) and

(iv) to carry out an active tutorial assistance program (including dissemination of information regarding such program) in order to make maximum use of the benefits available under section 1692 of such title 38,

except that an institution with less than 2,500 students in attendance (I) which the Commissioner determines, in accordance with regulations jointly prescribed by the Commissioner and the Administrator of Veterans' Affairs (hereinafter referred to as the "Administrator"), cannot feasibly itself carry out any or all of the programs set forth in subclauses (i) through (iv) of this clause, may carry out such program or programs through a consortium agreement with one or more other institutions of higher education, and (II) shall be required to carry out such programs only to the extent that the Commissioner determines, in accordance with regulations jointly prescribed by the Commissioner and the Administrator, is appropriate in terms of the number of veterans in attendance at such institution. The adequacy of efforts to meet the requirements of clause (B) in the preceding sentence shall be determined by the Commissioner, based upon the recommendation of the Administrator, in accordance with criteria established in regulations jointly prescribed by the Commissioner and the Administrator.

(2) The Commissioner shall not approve an application under this subsection unless he determines that the applicant will implement the requirements of clause (B) of paragraph (1) within the first academic year during which it receives a payment under this section.

* * * * * * *

(f) Each institution of higher education receiving payments under this section shall at the end of each fiscal year submit to the Commissioner a report on the activities and programs (including data on the number and characteristics of veterans) assisted under this section. The Commissioner, not later than sixty days after the end of each such fiscal year, shall prepare and submit to the Congress an annual report containing (1) a summary of the reports and data submitted pursuant to this subsection, (2) a description of the steps taken (and the results thereof) to carry out his responsibility under subsection (c)(1) of this section to monitor and determine the adequacy of efforts by institutions receiving assistance under this section to carry out the programs specified in clause (B) of such subsection, and (3) such recommendations, including recommendations for legislation, as he deems appropriate.

(g) The Commissioner, in carrying out the provisions of this section, shall seek to assure the coordination of programs assisted under this section with programs carried out by the Veterans' Administration pursuant to title 38 of the United States Code, and the Administrator of Veterans' Affairs shall provide all assistance, technical consultation, and information otherwise authorized by law as necessary to promote the maximum effectiveness of the activities and programs assisted under this section.

(h) The program provided for in this section shall be administered by an identifiable administratve unit in the Office of the Commissioner, the head of which shall be appointed by and directly responsible to the Commissioner and to whom the Commissioner shall delegate all of his delegable functions relating to this section.

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PART C—WORK-STUDY PROGRAMS

STATEMENT OF PURPOSE; APPROPRIATIONS AUTHORIZED

SEC. 441. (a) The purpose of this part is to stimulate and promote the part-time employment of students, particularly students with great financial need in eligible institutions who are in need of the earnings from such employment to pursue courses of study at such institutions.

(b) There are authorized to be appropriated $225,000,000 for the fiscal year ending June 30, 1969, $275,000,000 for the fiscal year ending

June 30, 1970, $320,000,000 for the fiscal year ending June 30, 1971, $330,000,000 for the fiscal year ending June 30, 1972, $360,000,000 for the fiscal year ending June 30, 1973, $390,000,000 for the fiscal year ending June 30, 1974, **[**and**]** $420,000,000 for the fiscal year ending June 30, 1975, *$510,000,000 for the fiscal year endinig June 30, 1976, and the transitional period beginning July 1, 1976, and ending September 30, 1976; $540,000,000 for the fiscal year ending September 30, 1977; $570,000,000 for the fiscal year ending September 30, 1978; $600,000,000 for the fiscal year ending September 30, 1979; $630,000,000 for the fiscal year ending September 30, 1980; and such sums as the Congress shall find necessary for each subsequent fiscal year.*

* * * * * * *

GRANTS FOR WORK-STUDY PROGRAMS

SEC. 443. (a) The Commissioner is authorized to enter into agreements with eligible institutions under which the Commissioner will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

(b) For the purposes of this part the term "eligible institution" means an institution of higher education (as defined in section 435(b) of this Act), an area vocational school (as defined in section 8(2) of the Vocational Education Act of 1963), or a proprietary institution of higher education (as defined in section **[**461**]** *491*(b) of this Act), *and includes a combination of such institutions which have entered into a cooperative arrangement, or have designated or created a public or private nonprofit agency, institution, or organization to act on their behalf.*

CONDITIONS OF AGREEMENTS

SEC. 444. (a) An agreement entered into pursuant to section 443 shall—

(1) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself (except in the case of a proprietary institution of higher education) or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work—

(A) will not result in the displacement of employed workers or impair existing contracts for services,

(B) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee, and

(C) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship;

(2) provide that funds granted an institution of higher education, pursuant to section 443, may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses in accordance with section **[**463**]** *493* of this **[**Act:**]**, *may use a portion of the sums granted to it to meet the cost of a job location and development program in accordance*

with section 447 of this part, and may transfer funds in accordance with the provisions of section 496 of this act;

(3) provide that in the selection of students for employment under such work-study program preference shall be given to students with the greatest financial need, taking into account grant assistance provided such student from any public or private sources, and that employment under such work-study program shall be furnished only to a student who (A) is in need of the earnings from such employment in order to pursue a course of study at such institution (taking into consideration the actual cost of attendance at such institution), (B) shows evidence of academic or creative promise and capability of maintaining good standing in such course of study while employed under the program covered by the agreement, and (C) has been accepted for enrollment as a student at the institution on at least a half-time basis or, in the case of a student already enrolled in and attending the institution, is in good standing and in attendance there on at least a half-time basis either as an undergraduate, graduate, or professional student;

(4) (Vacant).

(5) provide that the institution will meet the requirements of section 494 of this Act (relating to maintenance of effort);

(6) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 80 per centum of such compensation; except that the Federal share may exceed 80 per centum of such compensation if the Commissioner determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that a Federal share in excess of 80 per centum is required in furtherance of the purposes of this part;

(7) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(8) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this part.

* * * * * * *

(d) Nothing in this part shall be construed to require an institution or other employer hiring students under this part to terminate a student's employment at the time such student has earned federally subsidized wages sufficient to meet his documented need for any year, provided that any continued employment beyond such time is not subsidized with funds appropriated under this Act.

* * * * * * *

[WORK-STUDY FOR COMMUNITY SERVICE LEARNING PROGRAM

[SEC. 447. (a) The purpose of this section is to enable students in eligible institutions who are in need of additional financial support to attend institutions of higher education, with preference given to veterans who served in the Armed Forces in Indochina or Korea after August 5, 1964, to obtain earnings from employment which offers the maximum potential both for effective service to the community and for enhancement of the educational development of such students.

[(b) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1972, and $50,000,000 each succeeding fiscal year ending prior to July 1, 1975, to carry out this section through local project grants, without regard to the provisions of section 442.

[(c) The Commissioner is authorized to enter into agreements with public or private nonprofit agencies under which the Commissioner will make grants to such agencies to pay the compensation of students who are employed by such agencies in jobs providing needed community services and which are of educational value.

[(d) An agreement entered into under subsection (c) above shall—

[(1) provide for the part-time employment of college students in projects designed to improve community services or solve particular problems in the community;

[(2) provide assurances that preference will be given to veterans who served in the Armed Forces in Indochina or Korea after August 5, 1964, in recruiting students to eligible institutions for jobs under this section, and that the agency, in cooperation with the institution of higher education which the student attends, will make an effort to relate the projects performed by students to their general academic program and to a comprehensive program for college student services to the community;

[(3) conform with the provisions of clauses (1)(A), (1)(B) and (1)(C) of section 444(a), and provides for the selection of students who meet the requirements of clauses (3)(A), (3)(B) and (3)(C) of section 444(a); and

[(4) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this section, including provisions for oversight by the institution of higher education which the student participating in such a program attends.

[(e) For purposes of this section, the term "community service" includes, but is not limited to, work in such fields as environmental quality, health care, education, welfare, public safety, crime prevention and control, transportation, recreation, housing, and neighborhood improvement, rural development, conservation, beautification, and other fields of human betterment and community improvement.]

JOB LOCATION AND DEVELOPMENT PROGRAMS

Sec. 447. (a) The Commissioner is authorized to enter into agreements with eligible institutions under which such institution may use not more than 10 per centum or $15,000 of its allotment under section 446, whichever is less, to establish or expand a program under which such institution, separately, in combination with other eligible institutions, or through a contract with a nonprofit organization, locates and develops jobs for currently enrolled students which are suitable to the scheduling and other needs of such students.

(b) Agreements under subsection (a) shall—

(1) provide that the Federal share of the cost of any program under this section will not exceed 80 per centum of such cost;

(2) provide satisfactory assurance that funds available under this section will not be used to locate or develop jobs at an eligible institution;

(3) provide satisfactory assurance that the institution will continue to spend in its own job location and development programs, from sources other than funds received under this section not less than the average expenditures per year made during the most recent three fiscal years preceding the effective date of the agreement;

(4) provide satisfactory assurance that funds available under this section will not be used for the location or development of jobs for students to obtain upon graduation, but rather for the location and development of jobs available to students during and between periods of attendance at such institution;

(5) provide satisfactory assurance that the location or development of jobs pursuant to programs assisted under this section will not result in the displacement of employed workers or impair existing contracts for services;

(6) provide satisfactory assurance that Federal funds used for the purposes of this section can realistically be expected to help generate student wages exceeding the amount of such funds and that if such funds are used to contract with another organization, appropriate performance standards are part of such contract; and

(7) provide that the institution will submit to the Commissioner an annual report on the uses made of funds provided under this section and an evaluation of the effectiveness of such program in benefiting the students of such institution.

[Part D—Cooperative Education Program

[Appropriations Authorized

[Sec. 451. (a) There are authorized to be appropriated $340,000 for the fiscal year ending June 30, 1969, $8,000,000 for the fiscal year ending June 30, 1970, and $10,000,000 for each of the succeeding fiscal years ending prior to July 1, 1975, to enable the Commissioner to make grants pursuant to section 452 to institutions of higher education for the planning, establishment, expansion, or carrying out by such institutions of programs of cooperative education that alternate periods of full-time academic study with periods of full-time public or private employment that will not only afford students the opportunity to earn through employment funds required toward continuing and completing their education but will, so far as practicable, give them work experience related to their academic or occupational objective. Such amounts for the fiscal year ending June 30, 1969, shall also be available for planning and related activities for the purpose of this title.

[(b) There are further authorized to be appropriated $750,000 for the fiscal year ending June 30, 1969, and for each of the succeeding fiscal years ending prior to July 1, 1975, to enable the Commissioner to make training, demonstration, or research grants or contracts pursuant to section 453.

[(c) Appropriations under this part shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this part.

[GRANTS FOR PROGRAMS OF COOPERATIVE EDUCATION

[SEC. 452. (a) From the sums appropriated pursuant to subsection (a) of section 451, and for the purposes set forth therein, the Commissioner is authorized to make grants to institutions of higher education that have applied therefor in accordance with subsection (b) of this section, in amounts not in excess of $75,000 to any one such institution for any fiscal year.

[(b) Each application for a grant authorized by subsection (a) of this section shall be filed with the Commissioner at such time or times as he may prescribe and shall—

[(1) set forth programs or activities for which a grant is authorized under this section;

[(2) provide that the applicant will expend during such fiscal year for the purpose of such program or activity not less than was expended for such purpose during the previous fiscal year;

[(3) provide for the making of such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this part, and for the keeping of such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

[(4) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this part; and

[(5) include such other information as the Commissioner may determine necessary to carry out the purposes of this part.

[(c) No institution of higher education may receive grants under this section for more than three fiscal years.

[(d) In the development of criteria for approval of applications under this section, the Commissioner shall consult with the Advisory Council on Financial Aid to Students.

[GRANTS AND CONTRACTS FOR TRAINING AND RESEARCH

[SEC. 453. From the sums appropriated pursuant to subsection (b) of section 451, the Commissioner is authorized, for the training of persons in the planning, establishments, administration, or coordination of programs of cooperative education, for projects demonstrating or exploring the feasibility or value of innovative methods of cooperative education, or for research into methods of improving, developing, or promoting the use of cooperative education programs in institutions of higher education, to—

[(1) make grants to or contracts with institutions of higher education, or combinations of such institutions, and

[(2) make grants to other public or private nonprofit agencies or organizations, or contracts with public or private agencies or organizations, when such grants or contracts will make an especially significant contribution to attaining the objectives of this section]

* * * * * * *

PART E—DIRECT LOANS TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

APPROPRIATIONS AUTHORIZED

SEC. 461. (a) The Commissioner shall carry out a program of stimulating and assisting in the establishment and maintenance of funds at institutions of higher education for the making of low-interest loans to students in need thereof to pursue their courses of study in such institutions.

(b)(1) For the purpose of enabling the Commissioner to make contributions to student loan funds est[illegible] under this part, there are hereby authorized to be appropriate[illegible],000,000 for the fiscal year ending June 30, 1972, and $400,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to **[**July 1, 1975**]** *October 1, 1977.*

(2) In addition there are hereby authorized to be appropriated such sums for the fiscal year ending **[**June 30, 1976**]** *September 30, 1978,* and each of the three succeeding fiscal years as may be necessary to enable students who have received loans for academic years ending prior to **[**July 1, 1975**]** *October 1, 1977,* to continue or complete courses of study.

* * * * * * *

AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION

SEC. 463. (a) An agreement with any institution of higher education for the payment of Federal capital contributions under this part shall—

(1) provide for the establishment and maintenance of a student loan fund for the purposes of this part;

(2) provide for the deposit in such fund of—

(A) the Federal capital contributions,

(B) a capital contribution by such institution in an amount equal to not less than one-ninth of the amount of such Federal contributions.

(C) collections of principal and interest on student loans made from such fund,

(D) charges collected pursuant to regulations under section 464(c)(1)(G), and

(E) any other earnings of the funds;

(3) provide that such student loan fund shall be used only for—

(A) loans to students, in accordance with the provisions of this part,

(B) administrative expenses, as provided in subsection (b),

(C) capital distributions, as provided in section 466, and

(D) costs of litigation, and other collection costs agreed to by the Commissioner in connection with the collection of a loan from the fund (and interest thereon) or a charge assessed pursuant to regulations under section 464(c)(1)(G):

(4) provide that where a note or written agreement evidencing a note has been in default for (A) one hundred and twenty days, in the case of a loan which is repayable in monthly installments, or

(B) one hundred and eighty days, in the case of a loan which is repayable in less frequent installments, notice of such default shall be given to the Commissioner in a report describing the total number of loans from such fund which are in such default, and made to the Commissioner at least semiannually;

[4] *(5)* provide that where a note or written agreement evidencing a loan has been in default for at least 2 years despite due diligence on the part of the institution in making collection thereon, the institution may assign its rights under such note or agreement to the United States, without recompense, and that in that event any sums collected on such a loan be deposited in the general fund of the Treasury; and

[5] *(6)* include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part as are agreed to by the Commissioner and the institution.

(b) An institution which has entered into an agreement under subsection (a) shall be entitled, for each fiscal year during which it makes student loans from a student loan fund established under such agreement, to a payment in lieu of reimbursement for its expenses in administering its student loan program under this part during such year. Such payment shall be made in accordance with section 493.

TERMS OF LOANS

SEC. 464. (a) (1) * * *

* * * * * * *

(b) A loan from a student loan fund assisted under this part may be made only to a student who—

(1) is in need of the amount of the loan to pursue a course of study at such institution;

(2) is capable, in the opinion of the institution, of maintaining good standing in such course of study;

(3) has been accepted for enrollment as an undergraduate, graduate, or professional student in such institution, or, in the case of a student already in attendance at such institution, is in good standing; and

(4) is carrying at least one-half the normal academic workload, as determined by the institution.

In any case in which a student has been determined to be eligible for a loan under the preceding sentence, and such student thereafter fails to maintain good standing, the eligibility of such student shall [, upon notice to the Commissioner,] be suspended, and further payments to, or on behalf of, such student shall not be made until such student regains good standing.

(c)(1) Any agreement between an institution and a student for a loan from a student loan fund assisted under this part—

(A) shall be evidenced by note or other written instrument which, except as provided in paragraph (2), provides for repayment of the principal amount of the loan, together with interest thereon, in equal installments (or, if the borrower so requests, in graduated periodic installments determined in accordance with such schedules as may be approved by the Commissioner) payable quarterly, bimonthly, or monthly, at the option of the institution, over a period beginning nine months after the date on which the student ceases to carry, at an institution of higher education or a comparable institution outside the United States approved for this purpose by the Commissioner, at least one-half the normal full-time academic workload, and ending ten years and nine months after such date, *except that such period may begin earlier than nine months after such date upon the request of the borrower and with the consent of the institution;*

(B) shall include provisions for acceleration of repayment of the whole, or any part, of such loan, at the option of the borrower;

(C) may provide, at the option of the institution in accordance with regulations of the Commissioner, that during the repayment period of the loan, payments of principal and interest by the borrower with respect to all outstanding loans made to him from *a* student loan fund assisted under this part shall be at a rate equal to not less than $30 per month, *except that the institution may, subject to such regulations, permit a borrower to pay less than $30 per month where necessary to avoid hardship to the borrower, but without extending the ten-year maximum repayment period provided for in clause (A) of this paragraph;*

(D) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at the rate of 3 per centum per annum, except that no interest shall accrue (i) prior to the beginning date of repayment determined under clause (A)(i) or (ii) during any period in which repayment is suspended by reason of paragraph (2);

(E) unless the borrower is a minor and the note or other evidence of obligation executed by him would not, under applicable law, create a binding obligation, shall provide that the loan shall be made without security and without endorsement;

(F) shall provide that no note or evidence of obligation may be assigned by the lender, except upon the transfer of the borrower to another institution participating under this part (or, if not so participating, is eligible to do so and is approved by the Commissioner for such purpose), to such institution; [and]

(G) may, pursuant to regulations of the Commissioner, provide for an assessment of a charge with respect to the loan for failure of the borrower (i) to pay all or part of an installment when it is due or (ii) to file timely and satisfactory evidence of an entitlement of the borrower to a deferment of repayment benefit or a cancellation benefit provided under this part[.]*; and*

(H) shall provide that the liability to repay any such loan shall be cancelled upon the death of the borrower, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Commissioner.

* * * * * * *

DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

SEC. 466. (a) After [June 30, 1980.] *September 30, 1982*, and not later than December 31, [1980.] *1982*, there shall be a capital distribution of the balance of the student loan fund established under this part by each institution of higher education as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the balance in such fund at the close of [June 30, 1980,] *September 30, 1982,* as the total amount of the Federal capital contributions to such fund by the Commissioner under this part bears to the sum of such Federal contributions and the institution's capital contributions to such fund.

(2) The remainder of such balance shall be paid to the institution.

(b) After December 31, [1980,] *1982,* each institution with which the Commissioner has made an agreement under this part, shall pay to the Commissioner the same proportionate share of amounts received by this institution after June 30, 1974, in payment of principal and interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any costs of litigation incurred in collection of the principal or interest on loans from the fund and not already reimbursed from the fund or from such payments of principal or interest), as was determined for the Commissioner under subsection (a).

(c) Upon a finding by the institution or the Commissioner prior to [July 1, 1980,] *October 1, 1982,* that the liquid assets of a student loan fund established pursuant to an agreement under this part exceed the amount required for loans or otherwise in the foreseeable future, and upon notice to such institution or to the Commissioner, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Commissioner or in such agreement, a capital distribution from such fund. Such capital distribution shall be made as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Commissioner to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

(2) The remainder of the capital distribution shall be paid to the institution.

PART F—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS

SUBPART 1—GENERAL PROVISIONS

* * * * * * *

EXPENSES OF ADMINISTRATION

SEC. 493. (a) An institution which has entered into an agreement with the Commissioner under part A or C of this title shall be entitled for each fiscal year for which it receives an allotment under either such part to a payment in lieu of reimbursement for its expenses during such fiscal year in administering programs assisted under such part. The payment for a fiscal year (1) shall be payable from each such allotment in accordance with regulations of the Commissioner, and (2) shall (except as provided in subsection (b)) be an amount equal to [3] *5* per centum of (A) the institution's expenditures during the fiscal year from its allotment under part A plus (B) its expenditures during such fiscal year under part C for compensation of students.

(b) The aggregate amount paid to an institution for a fiscal year under this section plus the amount withdrawn from its student loan fund under section 204(b) of the National Defense Education Act of 1958 may not exceed [$125,000.] *$225,000.*

(c) All funds paid to an institution under this section shall be used exclusively to meet the costs of providing financial aid services directly to students, including the provision of information regarding the availability of Federal, State, institutional and other student financial assistance resources to students and prospective students.

* * * * * * *

ELIGIBILITY FOR STUDENT ASSISTANCE

SEC. 497A. (a) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after June 30, 1972, and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institution from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of two years any further payment to, or for the direct benefit of, such individual under any of the programs authorized under this title. If an institution denies an individual assistance under the authority of the preceding sentence of this subsection, then any institution which such individual subsequently attends shall deny for the remainder of the two-year period any further payment to, or for the direct benefit of, such individual under any program authorized by this title.

(b) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after June 30, 1972, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of two years, any further payments to, or for the direct benefit of, such individual under any program authorized by this title.

(c)(1) Nothing in this section shall be construed to prohibit any institution of higher education from refusing to award, continue, or extend any financial assistance under this title to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance.

(2) Nothing in this section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority practice and law.

(3) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.

(d) Whoever, being an officer, director, agent, student or employee of, or any person connected in any capacity with, any partnership, association, institution, State or local educational agency, group, corporation, business, organization, or any other entity whether public or private, which participates in any manner in a program or activity under this title knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery any of the funds, assets or property herein provided or insured under such program or activity shall be fined not more than $10,000 or imprisoned for not more than five years, or both; but if the amount so embezzled, misapplied, stolen or obtained by fraud, false statement, or forgery does not exceed $200, the fine shall be not more than $1,000 and imprisonment shall not exceed one year, or both.

(e) Any student assistance received by a student under this title shall entitle the student receiving it to payments only if—

(A) that student is maintaining satisfactory progress in the course of study he is pursuing, according to the standards and practices of the institution at which the student is in attendance, and

(B) that student does not owe a refund on previous grants received under this title or is not in default on any loan from a student loan fund provided for in part E or a loan made, insured, or guaranteed by the Commissioner under this title.

ELIGIBILITY OF INSTITUTIONS

Sec. 497B. (a) Notwithstanding any other provisions of this title, or of section 434(c) of the General Education Provisions Act, the Commissioner is authorized to prescribe such regulations as may be necessary to provide for—

(1) a fiscal audit of an eligible institution with regard to any funds obtained by it under this title or obtained from a student who has a loan insured or guaranteed by the Commissioner under this title;

(2) the establishment of reasonable standards of financial responsibility and appropriate institutional capability for the administration by an eligible institution of a program of student financial aid under this title; and

(3) the limitation, suspension or termination of the eligibility for any program or programs under this title of any otherwise eligible institution, whenever the Commissioner has determined, after notice and affording an opportunity for hearing on the record, that such institution has violated or failed to carry out any provision of this title or any regulation prescribed under this title: Provided, That no period of suspension under this section shall exceed sixty days, unless the institution and the Commissioner agree to an extension or unless limitation or termination proceedings are initiated within that period of time.

(b) Upon determination that an eligible institution has engaged in false advertising or substantial misrepresentation of the nature of its educational program, its financial charges, or the employability of its graduates, the Commissioner may suspend or terminate the eligibility status for any or all programs under this title of any otherwise eligi-

ble institution, in accordance with procedures specified in paragraph (a)(3), until he finds that such practices have been corrected.

(c) The Commissioner shall publish a list of State agencies which he determines to be reliable authority as to the quality of public postsecondary vocational education in their respective States for the purpose of determining eligibility for all Federal student assistance progams.

REFUND, DISCLOSURE, AND TUITION REQUIREMENTS

SEC. 497C. Each institution which has an agreement or contract under this title shall—

(1) establish a fair and equitable policy relating to the appropriate refund of tuition and fees, pursuant to regulations promulgated by the Commissioner after consultation with student organizations and other interested parties and in coordination with any other Federal agency requiring similar policies;

(2) produce and make readily available, through appropriate publications and mailings, to all its current students and to any prospective student upon request, a complete statement of (A) the cost of attendance at such institution, including tuition, fees, room and board provided by the institution, and any other charges to students, and (B) the policy related to refunds at such institution pursuant to paragraph (1); and

(3) provide assurances that the availability of assistance to students at the institution under this title has not resulted, and will not result, in an increase in the tuition, fees, or other charges to such students.

* * * * * * *

Subpart 2—Advisory Council on Financial Aid to Students

[ESTABLISHMENT OF COUNCIL

[SEC. 499. (a) There is established in the Office of Education an Advisory Council on Financial Aid to Students (hereafter in this section referred to as the "Council"), consisting of the Commissioner, who shall be Chairman, and of members appointed by the Commissioner without regard to the civil service or classification laws. Such appointed members shall include (1) leading authorities in the field of education, (2) persons representing State and private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education and other eligible institutions as those terms may be variously defined in this Act or in the National Defense Education Act of 1958, and (3) at least one undergraduate student in an institution of higher education or other eligible institution.

[(b) The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to financial assistance to students and on evaluation of the effectiveness of these programs.]

STUDENT FINANCIAL ASSISTANCE TRAINING PROGRAM

SEC. 499A. (a) It is the purpose of this subpart to make incentive grants available to the States to be administered, in consultation with statewide financial aid administrator organizations, for the pur-

pose of designing and developing programs to increase the proficiency of institutional and State financial aid administrators in all aspects of student financial aid.

(b) There are hereby authorized to be appropriated $280,000 for each fiscal year ending prior to September 30, 1978, for equal division among the States.

(c) To receive a grant under this subpart a State must provide appropriate assurance to the Commissioner that the grant will be matched from State funds by an amount at least equal to the amount of the grant.

(d) From the funds otherwise allotted to the States for subpart 2 of part A, and for part C and part E under this title for States which have obtained a grant under this subpart, the Commissioner shall transfer to such State an amount equal to .05 per centum of such funds or $10,000, whichever is less, and shall reduce such State allotment by that amount.

(e) A State which desires to obtain a grant under this subpart for any fiscal year shall submit an application therefor through or by the State agency administering its program of student grants, or if such an agency does not exist, through or by any agency or organization designated for such purpose by the State, at such time or times, and containing such information as may be required by such regulations as the Commissioner may prescribe for the purpose of enabling the Commissioner to disburse the funds.

RATABLE REDUCTIONS

Sec. 499B. (a) If the sums appropriated for any fiscal year or period for making payments under this title are not sufficient to pay in full the total amounts of any entitlement, and if no alternative method is specifically provided therein for the reduction of such an entitlement, then such entitlement shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the preceding sentence has been applied, such reduced amounts shall be increased on the same basis as they were reduced.

(b) The provisions of subsection (a) shall not apply to payments made or to be made under part B of title IV of this Act.

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TITLE V—EDUCATION PROFESSIONS DEVELOPMENT

Part A—General Provisions

STATEMENT OF PURPOSE

Sec. 501. (a) * * *

* * * * * * *

(b) For the purpose of carrying out the provisions of this title, there are authorized to be appropriated $200,000,000 for the fiscal year ending June 30, 1973, $300,000,000 for the fiscal year ending June 30, 1974, and $450,000,000 [for the fiscal year ending June 30, 1975] *for* *each succeeding fiscal year ending on or before September 30, 1977*, of which—

(1) not less than $500,000 shall be for the purposes of section 504;

(2) not less than 25 per centum or $37,500,000, whichever is greater, shall be for the purposes of subpart 1 of part B;

(3) not less than 5 per centum shall be for the purposes of part C;

(4) not less than 5 per centum shall be for the purposes of part D;

(5) not less than 5 per centum shall be for the purposes of part E;

(6) not less than 10 per centum shall be for the purposes of part F; and

(7) not less than 5 per centum of the amounts available for the purposes of Part C or Part D shall be used for the training of teachers for service in programs for children with limited English-speaking ability.

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TITLE VI—FINANCIAL ASSISTANCE FOR THE IMPROVEMENT OF UNDERGRADUATE INSTRUCTION

PART A—EQUIPMENT

STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

SEC. 601. (a) The purpose of this part is to improve the quality of classroom instruction in selected subject areas in institutions of higher education.

(b) There are hereby authorized to be appropriated $35,000,000 for the fiscal year ending June 30, 1966, $50,000,000 for the fiscal year ending June 30, 1967, $60,000,000 for the fiscal year ending June 30, 1968, $13,000,000 for the fiscal year ending June 30, 1969, and $60,000,000 for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1977*, to enable the Commissioner to make grants to institutions of higher education and combinations of institutions of higher education pursuant to this part for the acquisition of equipment and for minor remodeling described in section 603(2)(A).

(c) There are also authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1966, $10,000,000 for the fiscal year ending June 30, 1967, and for the succeeding fiscal year, $1,500,000 for the fiscal year ending June 30, 1969, and $10,000,000 for each of the succeeding fiscal years ending prior to [July 1, 1975] *October 1, 1977*, to enable the Commissioner to make grants to institutions of higher education and combinations of institutions of higher education pursuant to this part for the acquisition of television equipment and for minor remodeling described in section 603(2)(B).

* * * * * * *

TITLE VII—CONSTRUCTION, *RENOVATION, AND MODERNIZATION* OF ACADEMIC FACILITIES

PART A—GRANTS FOR THE CONSTRUCTION, *RENOVATION, AND MODERNIZATION* OF UNDERGRADUATE ACADEMIC FACILITIES

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. (a) The Commissioner shall carry out a program of grants to institutions of higher education for the construction, *renovation, or modernization* of academic facilities in accordance with this part.

(b) For the purpose of making grants under this part, there are hereby authorized to be appropriated $50,000,000, for the fiscal year ending June 30, 1972, $200,000,000 for the fiscal year ending June 30, 1973, and $300,000,000 for each of the fiscal years ending **[**June 30, 1974, and June 30, 1975**]** *on June 30 of 1974, 1975, and 1976, and on September 30, 1977.*

(c) Of the sums appropriated pursuant to section 701(b), *an appropriate amount, but in no case less than* 24 per centum shall be reserved by the Commissioner and allotted among the States under section 702. The remainder of such sums shall be available for allotment among the States under section 703.

PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

SEC. 702. (a) * * *

* * * * * * *

(c)(1) From the sums available for any fiscal year for amount allotted to a State under this section shall be available for the payment of the Federal share of the development cost of approved projects for the construction, *renovation, or modernization* of academic facilities within such State for public community colleges and public technical institutes.

* * * * * * *

(e) For the purposes of clause (2) of subsection (b), the "allotment ratio" for any State shall be 1.00 less the product of (A) 0.50 and (B) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam), except that (i) the allotment ratio shall in no case be less than 0.33⅓ or more than 0.66⅔, (ii) the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and Guam shall be 0.66⅔, and (iii) the allotment ratio of any State shall be 0.50 for any fiscal year if the Commissioner finds that the cost of school construction, *renovation, or modernization* in such State exceeds twice the median of such costs in all the States as determined by him on the basis of statistics and data as the Commissioner shall deem adequate and appropriate.

The allotment ratios shall be promulgated by the Commissioner as soon as possible after June 30, 1972, and annually thereafter, on the basis of the average of the incomes per person of the State and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

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INSTITUTIONS OF HIGHER EDUCATION OTHER THAN PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

SEC. 703. (a) * * *

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(c)(1) Any amount allotted to a State under this section for any fiscal year shall, except as provided in paragraph (2), be available, in accordance with the provisions of this title, or payment of the Federal share of the development cost of approved projects for the construction, *renovation, or modernization* of academic facilities within such State for institutions of higher education which are not eligible for grants under section 702.

* * * * * * *

STATE PLANS

SEC. 704. (a) Any State desiring to participate in the grant program authorized by this part for any fiscal year shall submit for that year to the Commissioner through the State Commission a State plan for such participation. Such plan shall be submitted at such time, in such manner, and containing such information as may be necessary to enable the Commissioner to carry out his functions under this part and shall—

(1) provide that it shall be administered by the State Commission;

(2) set forth objective standards and methods which are consistent with basic criteria prescribed by regulations pursuant to section 706, for—

(A) determining the relative priorities of eligible projects submitted by institutions of higher education within the State for the construction, *renovation, or modernization* of academic facilities, and

(B) determining the Federal share of the development cost of each such project;

(3) provide that the funds apportioned for any fiscal year under section 702 or 703 shall be used only for the purposes set forth therein;

(4) provide for—

(A) assigning priorities solely on the basis of such criteria, standards, and methods to eligible projects submitted to the State Commission and found by it otherwise approvable under the provisions of this part, and

(B) approving and recommending to the Commissioner, in the order of such priority, applications covering such eligible projects, and for certifying to the Commissioner the Federal share of the development cost of the project involved;

(5) provide for affording to every applicant which has submitted a project to the State Commission an opportunity for a fair hearing before the State Commission as to the priority assigned to such project, or as to any other determination of the State Commission adversely affecting such applicant; and

(6) provide for—

(A) such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State Commission under this part, and

(B) making such reports, in such form and containing such information, as may be reasonably necessary to enable the Commissioner to perform his functions under this part.

[(b) The Commissioner shall approve any State plan submitted under this section if he determines that it complies with the provisions of this section and other appropriate provisions of this title.]

(b) The Commissioner shall not disapprove any State plan submitted under this section unless he determines, after affording adequate opportunity for hearing and comment, that the plan is inconsistent with a specific provision of this section or other relevant sections of this title.

ELIGIBILITY FOR GRANTS

SEC. 705. (a) Except as [is] provided in subsection (b), an institution of higher education shall be eligible for a grant under this part only if the State Commission determines, in accordance with criteria prescribed by regulation, that the construction, *renovation, or modernization* project for which assistance is sought will, either alone or together with other [construction] *projects* to be undertaken within a reasonable time, result in [—

(1) a substantial expansion of, or

(2) in the case of a new institution, the creation of,

urgently needed (A) enrollment capacity, (B) the capacity to provide health care for students and institutional personnel, or (C) capacity to carry out extension and continuing education programs on the campus of such institution.] *increased (1) enrollment capacity, (2) institutional ability to significantly economize on the use of energy resources, (3) institutional capacity to provide health care for students and institutional personnel, or (4) institutional capacity to carry out extension and continuing education programs.*

(b) If the [Commissioner determines, in accordance with criteria established by regulation, that the student enrollment capacity of an institution of higher education would decrease if an urgently needed academic facility is not constructed, the construction of such a facility may be considered.] *institution of higher education can demonstrate that the student enrollment capacity of such institution would decrease if an urgently needed academic facility is not constructed, renovated, or modernized, the carrying out of such work may be considered* for the purposes of this section, to result in an expansion of the institution's student enrollment capacity.

BASIC CRITERIA FOR DETERMINING PRIORITIES AND FEDERAL SHARE

SEC. 706. (a)(1) The Commissioner shall, by regulation, prescribe basic criteria to which the provisions of State plans, setting forth standards and methods for determining relative priorities of eligible construction, *renovation, or modernization* projects, and the application of such standards and methods to such projects under such plans, shall be subject.

(2) Such basic criteria shall [, at least]—

(A) be such as will best tend to achieve the objectives of this part, while leaving opportunity and flexibility to State Commissions for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States;

(B) give special consideration to the expansion of undergraduate enrollment capacity; [and]

[(C) give consideration to the expansion of capacity to provide needed health care to students and institutional personnel.]

(C) give special consideration to programs of conversion or modernization of energy utilization techniques on the campuses of eligible institutions which will enable such institutions to economize on the use of energy resources, and provide for research and demonstration of energy conservation techniques which will be applicable to the physical plants of other enterprises;

(D) give consideration to the renovation and modernization of existing academic facilities so as to enable institutions of higher education to meet the costs and requirements of environmental protection, safety, and health programs mandated by Federal, State, or local law; and

(E) give consideration to the expansion of capacity to provide needed health care to students and institutional personnel.

* * * * * * *

APPLICATIONS FOR GRANTS; AMOUNT OF GRANTS

SEC. 707. (a)(1) Any institution of higher education which desires to receive a grant under this part shall submit an application therefor at such time or times, in such manner, and containing such information as the Commissioner shall prescribe by regulation.

(2) The Commissioner shall approve an application for a construction project under this part if he determines that—

(A) it meets the requirements prescribed under paragraph (1);

(B) the project for which assistance is sought is an eligible project under section 705;

(C) such project has been submitted through, and been approved and recommended by, the appropriate State Commission;

(D) such State Commission has certified to the Commissioner, in accordance with the State plan, the Federal share of the development cost of the project, and sufficient funds to pay such Federal share are available from the applicable apportionment of the State;

(E) such project has, pursuant to the State plan, been assigned a priority that is higher than that assigned to all other projects within the State which are chargeable to the same apportionment, and meet the requirements of this section, and for which Federal funds have not yet been reserved;

(F) the [construction] *project* to be carried out under the application will be undertaken in a timely and economic manner and will not be of elaborate or extravagant design or materials;

(G) in the case of a student health care facility, no assistance will be provided for such facility under title IV of the Housing Act of 1950; and

(H) the application contains assurances or is supported by satisfactory assurances—

(i) that the title to the site is in accordance with regulations of the Commissioner relating thereto,

(ii) that Federal funds received by the applicant will be solely used for defraying the development cost of the project covered by the application.

(iii) that sufficient funds will be available to meet the non-Federal portion of such cost and to provide for the effective use of the academic facility upon completion, and

(iv) that the facility will be used as an academic facility for at least the period of the Federal interest therein, as provided in section 781.

(b) Amendments to applications submitted under this section shall, except as the Commissioner may otherwise provide by regulations, be subject to approval in the same manner as original applications.

(c)(1) Upon his approval of any application under this section, the Commissioner shall reserve from the applicable allotment available therefor, the amount of such grant, which shall be equal to the Federal share of the development cost of the project covered by the application. The Commissioner shall pay such reserved amount in advance or by way of reimbursement, and in such installments consistent with construction, *renovation, or modernization* progress, as he may determine.

(2) Upon approval of an amendment of an application, or revision of the estimated development cost of a project, for which there has been a reservation made under paragraph (1), the Commissioner may adjust the amount so reserved, accordingly. If an adjustment under the first sentence of this paragraph results in a greater amount being reserved, he may reserve the Federal share of the added cost only from the applicable allotment available at the time of such approval.

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PART B—GRANTS FOR CONSTRUCTION, *RENOVATION, OR MODERNIZATION* OF GRADUATE ACADEMIC FACILITIES

AUTHORIZATION

SEC. 721. (a) The Commissioner shall carry out a program of making grants to institutions of higher education to assist them in improving existing graduate schools and cooperative graduate centers, and in establishing graduate schools and cooperative graduate centers of excellence, in order to increase the supply of highly qualified personnel needed by communities, industries, and governments and for teaching and research.

(b) For the purpose of making grants under this part, there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1972, $40,000,000 for the fiscal year ending June 30, 1973, $60,000,000 for the fiscal year ending June 30, 1974, and $80,000,000 for *each of* the fiscal **[**year**]** *years* ending June 30, 1975, *June 30, 1976, and September 30, 1977.*

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PART C—LOANS FOR CONSTRUCTION, *RENOVATION, OR MODERNIZATION* OF ACADEMIC FACILITIES

AUTHORIZATION

SEC. 741. (a)(1) The Commissioner shall carry out a program of making and insuring loans, in accordance with the provisions of this part.

(2) The Commissioner is authorized to make loans to institutions of higher education and to higher education building agencies for the construction, *renovation, or modernization* of academic facilities and to insure loans.

(3) A project for construction, renovation, or modernization shall be eligible for a loan under this part only if it will, either alone or together with other projects to be undertaken within a reasonable time, reach the results referred to in clauses (1), (2), (3) or (4) of section 705(a).

(b) For the purpose of making payments into the fund established under section 744, there are hereby authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1972, $100,000,000 for the fiscal year ending June 30, 1973, $150,000,000 for the fiscal year ending June 30, 1974, and $200,000,000 for *each of* the fiscal **[**year**]** *years* ending June 30, 1975, *June 30, 1976, and September 30, 1977.* Sums appropriated pursuant to this subsection for any fiscal year shall be available without fiscal year limitations.

ELIGIBILITY CONDITIONS, AMOUNTS, AND TERMS OF LOANS

SEC. 742. (a) No loan pursuant to this part shall be made unless the Commissioner finds (1) that not less than 20 per centum of the development cost of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure the amount of such loan from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this part, (3) that the construction, *renovation, or modernization* will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials, and (4) that, in the case of a project to construct an infirmary or other facility designed to provide primarily for outpatient care of students and institutional personnel, no financial assistance will be provided such project under title IV of the Housing Act of 1950.

(b) A loan pursuant to this part shall be secured in such manner and shall be repaid within such period not exceeding fifty years, as may be determined by the Commissioner; and it shall bear interest at (1) a rate determined by the Commissioner which shall not be less than a per annum rate that is one-quarter of 1 percentage point above the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt as computed at the end of the preceding fiscal year, adjusted to the nearest one-eighth of 1 per centum, or (2) the rate of 3 per centum per annum, whichever is the lesser.

* * * * * * *

ANNUAL INTEREST GRANTS

SEC. 745. (a) To assist institutions of higher education and higher education building agencies to reduce the cost of borrowing from other sources for the construction, *renovation, or modernization* of academic facilities, the Commissioner may make annual interest grants to such institutions and agencies.

(b) Annual interest grants to an institution of higher education or higher education building agency with respect to any academic facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were the maximum rate specified in section 744(b)(2). The amount on which such grant is based shall be approved by the Secretary.

(c)(1) There are hereby authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants to institutions of higher education and higher education building agencies in accordance with this section.

(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid to institutions of higher education and higher education building agencies in any year pursuant to contracts entered into under this section shall not exceed $5,000,000 which amount shall be increased by $6,750,000 on July 1, 1969, and by $13,500,000 on July 1, 1970 and [on July 1 of each of the four] *on the first day of each of the six* succeeding years.

(d) Not more than 12½ per centum of the funds provided for in this section for grants may be used within any one State.

(e) No annual interest grant pursuant to this section shall be made unless the Commissioner finds (1) that not less than 10 per centum of the development costs of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure a loan in the amount of the loan with respect to which the annual interest grant is to be made, from the other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (3) that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials. For purposes of this section, a loan with respect to which an interest grant is made under this section shall not be considered financing from a non-Federal source. For purposes of the other provisions of this title, such a loan shall be considered financing from a non-Federal source.

ACADEMIC FACILITIES LOAN INSURANCE

SEC. 746. (a)(1). In order to assist nonprofit private institutions of higher education and nonprofit private higher education building agencies to procure loans for the construction, *renovation, or modernization* of academic facilities, the Commissioner may insure the payment of interest and principal on such loans if such institutions and agencies meet, with respect to such loans, criteria prescribed by or under section 745 for the making of annual interest grants under such section.

(2) No loan insurance under paragraph (1) may apply to so much of the principal amount of any loan as exceeds 90 per centum of the development cost of the academic facility with respect to which such loan was made.

(b)(1) The United States shall be entitled to recover from any institution or agency to which loan insurance has been issued under this section the amount of any payment made pursuant to that insurance, unless the Commissioner for good cause waives its right of recovery. Upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payment with respect to which the payment was made.

(2) Any insurance issued by the Commissioner pursuant to subsection (a) shall be incontestable in the hands of the institution or agency on whose behalf such insurance is issued, and as to any agency, organization, or individual who makes or contracts to make a loan to such institution or agency, in reliance thereon, except for fraud or misrepresentation on the part of such institution or agency or on the part of the agency, organization, or individual who makes or contracts to make such loan.

(c) Insurance may be issued by the Commissioner under subsection (a) only if he determines that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Commissioner determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Commissioner may charge a premium for such insurance in an amount reasonably determined by him to be necessary to cover administrative expenses and probable losses under subsections (a) and (b). Such insurance shall be subject to such further terms and conditions as the Commissioner determines to be necessary.

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ASSISTANCE FOR CONSTRUCTION OF ACADEMIC FACILITIES

SEC. 762. (a) If the Director of the Office of Emergency Planning determines that a public institution of higher education is, in whole or in part, within an area which, after June 30, 1971, and before [July 1, 1975] *October 1, 1977*, has suffered a disaster which is a major disaster, and if the Commissioner determines with respect to such institution that—

(1) the academic facilities of such institution have been destroyed or seriously damaged as a result of the disaster;

(2) such institution is exercising due diligence in availing itself of State and other financial assistance available for restoration or replacement of such facilities; and

(3) the institution does not have sufficient funds available from such other sources, including proceeds of insurance on the facilities, to provide for the restoration or replacement of such facilities;

the Commissioner is authorized to provide such assistance to such institution as is provided in subsection (b).

(b)(1) Assistance under this section shall be a grant to an eligible institution, as determined under subsection (a), of an amount necessary to enable the institution to carry out the construction necessary to restore or replace the academic facilities determined under clause (1) of subsection (a) to be damaged or destroyed.

(2) The maximum amount of a grant under this section shall not exceed the cost of construction incident to the restoration or replacement of the facilities determined to be damaged or destroyed under clause (1) of subsection (a) less the amount of additional assistance determined under clause (3) of subsection (a) to be available.

(c)(1) Assistance under this section may include a grant of an amount necessary to enable the institution to lease, or otherwise obtain the use of, such facilities as are needed to replace, temporarily, facilities which have been made unavailable as a result of a major disaster.

(2) An institution shall be eligible for assistance under this subsection if it qualifies for assistance under subsection (a), whether or not it receives assistance under subsection (b).

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PART E—GENERAL

RECOVERY OF PAYMENTS

SEC. 781. (a) The Congress hereby finds and declares that, if a facility constructed with the aid of a grant or grants under part A or B of this title is used as an academic facility for twenty years following completion of such construction, *renovation, or modernization*, the public benefit accruing to the United States from such use will equal in value the amount of such grant or grants. The period of twenty years after completion of such construction shall therefore be deemed to be the period of Federal interest in such facility for the purposes of this title.

(b) If, within twenty years after completion of construction, *renovation, or modernization* of an academic facility which has been constructed, *renovated, or modernized* in part with a grant or grants under part A or B of this title—

(1) the applicant (or its successor in title or possession) ceases or fails to be a public or nonprofit institution, or

(2) the facility ceases to be used as an academic facility, or the facility is used as a facility excluded from the term "academic facility", unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such applicant (or successor) an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal grant or grants bore to the development cost of the facility financed with the aid of such grant or grants. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

(c) Notwithstanding the provisions of subsections (a) and (b), no facility constructed with assistance under this title shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

DEFINITIONS

SEC. 782. The following definitions apply to terms used in this title:

(1)(A) Except as provided in subparagraph (B) of this paragraph, the term "academic facilities" means structures suitable for use as classrooms, laboratories, libraries, and related facilities necessary or appropriate for instruction of students, or for research, or for administation of the educational or research programs, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities. For purposes of parts A, C, and D, such term includes infirmaries or other facilities designed to provide primarily for outpatient care of student and instructional personnel. Plans for such facilities shall be in compliance with such standards as the Secretary of Health, Education, and Welfare may prescribe or approve in order to insure that facilities constructed with the use of Federal funds under this title shall be, to the extent appropriate in view of the uses to be made of the facilities, assessible to and usable by handicapped persons.

(B) The term "academic facilities" shall not include (i) any facility intended primarily for events for which admission is to be charged to the general public, or (ii) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Commissioner finds that the physical integration of such facilities with other academic facilities included under this title is required to carry out the objectives of this title, or (iii) any facility used or to be used for sectarian instruction or as a place for religious worship, or (iv) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity, or (v) any facility used or to be used by a school of medicine, school of dentistry, school of osteopathy, school of pharmacy, school of optometry, school of podiatry, or school of public health as these terms are defined in section 724 of the Public Health Service Act, or a school of nursing as defined in section 843 of that Act, *except that the term "academic facilities" may include any facility described in clause (v) to the extent that such facility is included in any project designed for the purpose of increasing the energy efficiency of academic facilities.*

[(2) The term "construction" means (A) erection of new or expansion of existing structures, and the acquisition and installation of initial equipment therefor; or (B) acquisition of existing structures not owned by the institution involved; or (C) rehabilitation, alteration, conversion or improvement (including the acquisition and installation of initial equipment, or modernization or replacement of built-in equipment) of existing structures; or (D) a combination of any of two or more of the foregoing. For the purposes of the preceding sentence, the term "equipment" includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term "initial equipment" means equipment acquired and installed in connection with construction as defined in paragraph (2) (A) or (B) or, in cases referred to in paragraph (2)(C), equipment acquired and installed as part of the rehabilitation, alteration, conversion, or improvement of an existing structure, which structure would otherwise not be adequate for use as an academic facility; and the terms "equipment", "initial equipment", and "built-in equipment" shall be more particularly defined by the Commissioner by regulation. For the purposes of clause (C) in the first sentence of this paragraph, the term "rehabilitation, alteration, conversion, or improvement" includes such action as may be necessary to provide for the architectural needs of, or to remove architectural barriers to, handicapped persons with a view toward increasing the accessibility to, and use of, academic facilities by such persons.]

(2)(A) The term "construction" means (i) erection of new or expansion of existing structures, and the acquisition and installation of initial equipment therefor; or (ii) acquisition of existing structures not owned by the institution involved; or (iii) a combination of either of the foregoing. For the purposes of the preceding sentence, the term "equipment" includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular, and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term "initial equipment" means equipment acquired and installed in connection with construction; and the terms "equipment", "initial equipment", and "built-in equipment" shall be more particularly defined by the Commissioner by regulation.

(B) The term "renovation or modernization" means rehabilitation, alteration, conversion, or improvement (including the acquisition and installation of initial equipment, or modernization or replacement of such equipment) of existing structures. For the purposes of the preceding sentence, the term "equipment" includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular and program materials, and items of current and operating expense such as fuel, supplies, and the like; the term "initial equipment" means equipment acquired and installed either in connection with construction as defined in paragraph (2)(A), or as part of the rehabilitation, alteration, conversion, or improvement

of an existing structure, which structure would otherwise not be adequate for use as an academic facility; the terms "equipment", "initial equipment", and "built-in equipment" shall be more particularly defined by the Commissioner by regulation; and the term "rehabilitation, alteration, conversion, or improvement" includes such action as may be necessary to provide for the architectural needs of, or to remove architectural barriers to, handicapped persons with a view toward increasing the accessibility to, and use of, academic facilities by such persons.

(3)(A) The term "development cost," with respect to an academic facility, means the amount found by the Commissioner to be the cost, to the applicant for a grant or loan under this title, of the construction, *renovation, or modernization* involved and the cost of necessary acquisition of the land on which the facility is located and of necessary site improvements to permit its use for such facility. There shall be excluded from the development cost—

(i) in determining the amount of any grant under part A or B, an amount equal to the sum of (I) any Federal grant which the institution has obtained or is assured of obtaining, under any law other than this title, with respect to the construction, *renovation, or modernization* that is to be financed with the aid of a grant under part A or B, and (II) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant; and

(ii) in determining the amount of any loan under part C, an amount equal to the amount of any Federal financial assistance which the institution has obtained, or is assured of obtaining, under any law other than this title, with respect to the construction, *renovation, or modernization* that is to be financed with the aid of a loan under part C.

(B) In determining the development cost with respect to an academic facility, the Commissioner may include expenditures for works of art for the facility of not to exceed 1 per centum of the total cost (including such expenditures) to the applicant of construction, *renovation, or modernization* of, and land acquisition and site improvements for, such facility.

(4) The term "Federal share" means, except as provided in section 706(b)(2), in the case of any project a percentage (as determined under the applicable State plan) in excesss of 50 per centum of its development cost.

(5) The term "higher education building agency" means (A) an agency, public authority, or other instrumentality of a State authorized to provide, or finance the construction, *renovation, or modernization* of, academic facilities for institutions of higher education (whether or not also authorized to provide or finance other facilities for such or other educational institutions, or for their students or faculty), or (B) any corporation (no part of the net earnings of which inures or may lawfully inure to the benefit of any private shareholder or individual) (I) established by an institution of higher education for the sole purpose of providing academic facilities for the use of such institution, and (II) upon dissolution of which, all title to any property purchased or built from the proceeds of any loan made under part C will pass to such institution.

[TITLE VIII—NETWORKS FOR KNOWLEDGE

[SHARING EDUCATIONAL AND RELATED RESOURCES

[SEC. 801. (a) The Commissioner shall carry out a program of encouraging institutions of higher education (including law and other graduate professional schools) to share, to the optimal extent, through cooperative arrangements, their technical and other educational and administrative facilities and resources, and to test and demonstrate the effectiveness and efficiency of a variety of such arrangements, in accordance with this title. The Commissioner is authorized to make grants to, and contracts with, institutions of higher education to pay all or part of the cost of cooperative arrangements and of pilot or demonstration projects designed to accomplish the purpose set forth in the first sentence of this subsection. Such grants may be made to public or nonprofit private colleges or universities. When in the Commissioner's judgment it will more effectively promote the purposes of this title, the Commissioner may make grants to other established public or nonprofit private agencies or organizations, including professional organizations or academic societies and he may enter into contracts with established private agencies and organizations.

[(b) Projects for the planning, development, or carrying out of such arrangements assisted under this title may, subject to the provisions of subsection (c), include—

[(1)(A) joint use of facilities such as classrooms, libraries, including law libraries, or laboratories, including joint use of necessary books, materials, and equipment; or (B) affording access to specialized library collections, including law library collections, through preparation of interinstitutitonal catalogs and through development of systems and preparation of suitable media for electronic or other rapid transmission of materials;

[(2) establishment and joint operation of closed circuit television or equivalent transmission facilities (such as the instructional television fixed services); and

[(3) establishment and joint operation of electronic computer networks and programs therefor, to be available to participating institutions for such purposes as financial and student records, student course work, or transmission of library materials.

[(c)(1) Grants pursuant to clause (B) of paragraph (1) of subsection (b) may not be used to pay the costs of electronic transmission terminals.

[(2) In the case of a project for the establishment and operation of a computer network, grants may not include—

[(A) the cost of operating administrative terminals or student terminals at participating institutions; or

[(B) the cost, or any participating institution's pro rata share of the cost, of using the central computer facilities of the network, except (i) such costs of systems development and programming of computers, and transmission costs as are necessary to make the network operational, (ii) the administrative and program support costs of the central facilities of the network, and (iii) the line-access costs incurred by participating institutions.

[APPROPRIATIONS AUTHORIZED

[SEC. 802. There are authorized to be appropriated for the purposes of this title (and planning and related activities in the initial fiscal year for such purpose), $340,000 for the fiscal year ending June 30, 1969, $4,000,000 for the fiscal year ending June 30, 1970, and $15,000,000 for the fiscal year ending June 30, 1971, $5,000,000 for the fiscal year ending June 3, 1972, $10,000,000 for the fiscal year ending June 30, 1973, and $15,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975.

[AUTHORITY FOR FREE OR REDUCED RATE COMMUNICATIONS INTERCONNECTION SERVICES

[SEC. 803. Nothing in the Communications Act of 1934, as amended, or in any other provision of law shall be construed to prevent United States communications common carriers from rendering, subject to such rules and regulations as the Federal Communications Commission may prescribe, free or reduced rate communications interconnection services for interconnection system within the purview of this title, whether or not included in a project for which a grant is made under this title.]

TITLE VIII—COOPERATIVE EDUCATION

APPROPRIATIONS AUTHORIZED

SEC. 801. (a) There are authorized to be appropriated—

(1) for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, $13,000,000;

(2) for the fiscal year ending September 30, 1977, $15,000,000;

(3) for the fiscal year ending September 30, 1978, $18,000,000;

(4) for the fiscal year ending September 30, 1979, $21,000,000; and

(5) for each of the succeeding fiscal years, $24,000,000,

to enable the Commissioner to make grants pursuant to section 802 to institutions of higher education, or to combinations of such institutions, for the planning, establishment, expansion, or carrying out by such institutions or combinations of programs of cooperative education. Such programs shall provide alternating periods of academic study and of public or private employment, the latter affording students not only the opportunity to earn the funds necessary for continuing and completing their education but, so far as practicable, giving them work experience related to their academic or occupational objectives.

(b) There are further authorized to be appropriated—

(1) $1,000,000 for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976;

(2) $1,000,000 for the fiscal year ending September 30, 1977;

(3) $2,000,000 for the fiscal year ending September 30, 1978; and

(4) $3,000,000 for each of the succeeding fiscal years,

to enable the Commissioner to make training, demonstration, or research grants or contracts pursuant to section 803.

(c) Appropriations under this part shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this part.

GRANTS FOR PROGRAMS OF COOPERATIVE EDUCATION

SEC. 802. (a) From the sums appropriated pursuant to subsection (a) of section 801, and for the purpose set forth therein, the Commissioner is authorized to make grants to institutions of higher education that have applied therefor in accordance with subsection (b) of this section, in amounts not in excess of $200,000 to any one such institution for any fiscal year, and to combinations of such institutions (that have so applied) in amounts not to exceed an amount equal to the product of $150,000 times the number of institutions participating in such combination, for any fiscal year.

(b) Each application for a grant authorized by subsection (a) of this section shall be filed with the Commissioner at such time or times as he may prescribe and shall—

(1) set forth programs or activities for which a grant is authorized under this section;

(2) specify the portion or portions of such programs or activities which will be performed by a non-profit organization or institution other than the applicant, and the compensation to be paid for such performance;

(3) provide that the applicant will expend during such fiscal year for the purpose of such program or activity not less than was expended for such purpose during the previous fiscal year;

(4) provide that the applicant shall make such reports and keep such records as are essential to insure that the applicant's programs or activities are conducted in accordance with the provisions of this part;

(5) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this part; and

(6) include such other information as is essential to carry out the provisions of this part.

(c)(1) No institution of higher education may receive, individually or as a participant in a combination of such institutions, grants under this section for more than five fiscal years. No such institution or combination thereof may receive—

(A) a grant in excess of 100 per centum of the total administrative cost for the first of such fiscal years;

(B) a grant in excess of 80 per centum of such cost for the second of such years;

(C) a grant in excess of 60 per centum of such cost for the third of such years;

(D) a grant in excess of 40 per centum of such cost of the fourth of such years; or

(E) a grant in excess of 20 per centum of such cost for the fifth of such years.

Any provision of law to the contrary notwithstanding, the Commissioner shall not waive the provisions of this subsection.

(2) For the purpose of this subsection, "total administrative cost" is the total cost to the applicant of administering a program established under this part, determined in accordance with regulations of the Commissioner.

(d) In approving applications under this section, the Commissioner shall give priority to applications from institutions of higher education for programs which show the greatest promise of success because of—

(1) the extent to which programs in the academic discipline with respect to which the application is made have had a favorable reception by employers, and

(2) the commitment of the institution of higher education to cooperative education as demonstrated by the size and scope of the program, and by the plans which such institution has made to continue the program after the termination of Federal financial assistance.

GRANTS AND CONTRACTS FOR TRAINING AND RESEARCH

SEC. 803. From the sums appropriated pursuant to subsection (b) of section 801, the Commissioner is authorized, for the training of persons in the planning, establishments, administration, or coordination of programs of cooperative education, for projects demonstrating or exploring the feasibility or value of innovative methods of cooperative education, or for research into methods of improving, developing, or promoting the use of cooperative education programs in institutions of higher education, to—

(1) make grants to or contracts with institutions of higher education, or combinations of such institutions, and

(2) make grants to other public or private nonprofit agencies or organizations, or contracts with public or private agencies or organizations, when such grants or contracts will make an especially significant contribution to attaining the objectives of this section.

TITLE IX—GRADUATE PROGRAMS

PART A—GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

PURPOSE; AUTHORIZATION

SEC. 901. (a) It is the purpose of this part to make financial assistance available to institutions of higher education—

(1) to strengthen, improve and where necessary expand the quality of graduate and professional programs leading to an advanced degree (other than a medical degree) in such institutions;

(2) to establish, strengthen, and improve programs designed to prepare graduate and professional students for public service; and

(3) to assist in strengthening undergraduate programs of instruction in the areas described in clauses (2), (3), and (4), whenever the Commissioner determines that strengthened undergraduate programs of instruction will contribute to the purposes of such clauses.

(b) The Commissioner shall carry out a program of making grants to institutions of higher education to carry out the purposes set forth in subsection (a).

(c) There are authorized to be apropriated $30,000,000 for the fiscal year ending June 30, 1973, $40,000,000 for the fiscal year ending June 30, 1974, and $50,000,000 [for the fiscal year ending June 30, 1975,] *for each succeeding fiscal year ending on or before September 30, 1977*, for the purposes of this part.

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PART B—GRADUATE FELLOWSHIPS FOR CAREERS IN POSTSECONDARY EDUCATION

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NUMBER OF FELLOWSHIPS

SEC. 922. (a) During the fiscal year ending June 30, 1973, and each of the [two] *four* succeeding fiscal years, the Commissioner is authorized to award not to exceed seven thousand five hundred fellowships to be used for study in graduate programs at institutions of higher education. Such fellowships may be awarded for such period of study as the Commissioner may determine, but not in excess of three academic years, except (1) that where a fellowship holder pursues his studies as a regularly enrolled student at the institution during periods outside the regular sessions of the graduate program of the institution, a fellowship may be awarded for a period not in excess of three calendar years, and (2) that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one academic year (or one calendar year in the case of fellowships to which clause (1) applies) in addition to the maximum period otherwise applicable, under special circumstances in which the purposes of this part would most effectively be served thereby.

(b) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this section but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of study, not in excess of the remainder of the period for which the fellowship which it replaces was awarded, as the Commissioner may determine.

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PART C—PUBLIC SERVICE FELLOWSHIPS

AWARD OF PUBLIC SERVICE FELLOWSHIPS

SEC. 941. (a) During the fiscal year ending June 30, 1973, and each of the [two] *four* succeeding fiscal years, the Commissioner is authorized to award not to exceed five hundred fellowships in accordance with the provisions of this part for graduate or professional study for persons who plan to pursue a career in public service. Such fellowships shall be awarded for such periods as the Commissioner may determine but not to exceed three academic years.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

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PART D—FELLOWSHIPS FOR OTHER PURPOSES

PROGRAM AUTHORIZED

Sec. 961. (a) It is the purpose of this part to provide fellowships—

(1) to assist graduate students of exceptional ability who demonstrate a financial need for advanced study in domestic mining and mineral and mineral fuel conservation including oil, gas, coal, oil shale, and uranium; and

(2) for persons of ability from disadvantaged backgrounds, as determined by the Commissioner, undertaking graduate or professional study.

The demonstration of financial need shall be determined in accordance with regulations prescribed by the Commissioner.

(b)(1) The Commissioner is authorized to award under the provisions of this part not to exceed five hundred fellowships for the fiscal year ending June 30, 1973, and for each of the [two] *four* succeeding fiscal years. Appropriations made pursuant to section 965 for fellowships awarded under clause (2) of subsection (a) of this section may not exceed $1,000,000 in any fiscal year.

(2) In addition to the number of fellowships authorized to be awarded under paragraph (1), the Commissioner is authorized to award fellowships equal to the number previously awarded during any fiscal year under this part but vacated prior to the end of the period for which they were awarded except that each fellowship awarded under this paragraph shall be for such period of graduate or professional work or research not in excess of the remainder of the period for which the fellowship it replaces was awarded as the Commissioner may determine.

(c) Fellowships awarded under this part shall be for graduate and professional study leading to an advanced degree or research incident to the presentation of a doctoral dissertation. Such fellowships may be awarded for graduate and professional study and research at any institution of higher education or any other research center approved for such purpose by the Commissioner. Such fellowships shall be awarded for such periods as the Commissioner may determine but not to exceed three years.

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PART F—GENERAL ASSISTANCE TO GRADUATE SCHOOLS

GENERAL ASSISTANCE GRANTS

Sec. 981. (a) Each institution of higher education shall, during the period beginning July 1, 1972, and ending [June 30, 1975,] *September 30, 1977*, be entitled to a general assistance grant (hereinafter in this section referred to as "grant") in accordance with the provisions of this section.

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TITLE X—COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

PART A—ESTABLISHMENT AND EXPANSION OF COMMUNITY COLLEGES

Subpart 1—Statewide Plans

SEC. 1001. (a) * * *

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(c) Each plan developed and adopted pursuant to subsection (a) shall be submitted to the Commissioner for his approval. [The Commissioner shall not approve any plan unless he determines that it fulfills the requirements of this section.] *The Commissioner shall not disapprove any plan unless he determines, after opportunity for public hearings and comment, that it is inconsistent with the requirements set forth in this section.*

Subpart 2—Establishment and Expansion of Community Colleges

PROGRAM AUTHORIZATION

SEC. 1011. (a) In order to encourage and assist those States and localities which so desire in establishing or expanding community colleges, or both, the Commissioner shall carry out a program as provided in this subpart for making grants to community colleges in order to improve educational opportunities available through community colleges in such States.

(b) For the purpose of carrying out this subpart, there are authorized to be appropriated [$50,000,000 for the fiscal year ending June 30, 1973, $75,000,000 for the fiscal year ending June 30, 1974, and $150,000,000 for the fiscal year ending June 30, 1975.] *$150,000,000 for each fiscal year ending on or before September 30, 1977.*

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EXPANSION GRANTS

[SEC. 1014. The Commissioner is authorized to make grants to existing community colleges to assist them—

[(1) in expanding their enrollment capacities,

[(2) in establishing new campuses, and

[(3) in altering or modifying their educational programs,

in order that they may (A) more adequately meet the needs, interests, and potential benefits of the communities they serve, or (B) provide educational programs especially suited to the needs of educationally disadvantaged persons residing in such communities.]

SEC. 1014. (a) The Commissioner is authorized to make grants, consistent with the terms of the appropriate State plan approved under section 1001, to existing community colleges to enable them to carry out the provisions of subsections (b) and (c) of this section. Of the funds appropriated for subpart 2 of this part, the Commissioner shall make grants pursuant to subsection (b), before making grants under any other subsection or section of this subpart, until such time as he determines all approved requests relating to subsection (b) have been funded.

(b) The Commissioner is authorized to make grants to eligible institutions to assist them in modifying their educational programs and instructional delivery systems to provide educational programs especially suited to those persons whose educational needs have been inadequately served, especially those among the handicapped, older persons, persons who can attend only part-time, and persons who otherwise would be unlikely to continue their education beyond the high school. Such programs may include, but are not limited to, methods designed to eliminate such barriers to student access as inflexible course schedules, location of instructional programs, and inadequate transportation.

(c) The Commissioner is also authorized to make grants to eligible institutions to assist them in expanding their enrollment capacity or in establishing new educational sites as documented in the State plan. Any grants related to facilities may only be made to institutions which have provided the Commissioner with such assurances as he requires that they have first explored the possibilities of using existing facilities on the campus of the applying institution, existing facilities in the community which are suitable and available for educational programs without unreasonable cost to the institution, and explored the willingness of other institutions within a reasonable commuting distance to provide educational programs, or space or other components of an educational delivery system, through contract or other agreement with the institution.

LEASE OF FACILITIES

Sec. 1015. (a) The Commissioner is authorized to make grants to community colleges **[**to enable them to lease facilities, for a period of not to exceed five years, in connection with activities carried out by them under section 1013 or section 1014.**]** *for a period not to exceed three years, to enable them to lease facilities, to assist in the conduct of activities assisted under section 1013 or section 1014, or similar activities not assisted under such sections.*

(b) The Federal share of carrying out a project through a grant under this section shall not exceed—

(1) **[**70**]** *90* per centum of the cost of such project for the first year of assistance under this section;

(2) 50 per centum thereof for the second such year; *and*

(3) **[**30**]** *10* per centum thereof for the third such year **[**; and**]**.

[(4) 10 per centum thereof for the fourth such year.**]**

* * * * * * *

DEFINITIONS

Sec. 1018. As used in this title, the term "community college" means any junior college, postsecondary vocational school, technical institute, or any other educational institution (which may include a four-year institution of higher education or a branch thereof) in any State which—

(1) is legally authorized within such State to provide a program of education beyond secondary education;

(2) admits as regular students persons who are high school graduates or the equivalent, or [at least 18 years of age;] *beyond the age of compulsory school attendance;*

[(3) provides a two-year postsecondary educational program leading to an associate degree, or acceptable for credit toward a bachelor's degree, and also provides programs of postsecondary vocational, technical, occupational, and specialized education;]

(3) provides a postsecondary education program leading to an associate degree or acceptable for credit toward a bachelor's degree;

(4) is a public or other nonprofit institution;

(5) is accredited as an institution by a nationally recognized accrediting agency or association, or if not so accredited—

(A) is an institution that has obtained recognized preaccreditation status from a nationally recognized accrediting body, or

(B) is an institution whose credits are acceptable on transfer, by not less than three accredited institutions, for credit on the same basis as if transferred from an institution so accredited.

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PART B—OCCUPATIONAL EDUCATION PROGRAMS

AUTHORIZATION OF APPROPRIATIONS

SEC. 1051. For the purposes of carrying out this part, there are hereby authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973, $250,000,000 for the fiscal year ending June 30, 1974, and $500,000,000 [for the fiscal year ending June 30, 1975] *for each succeeding fiscal year ending on or before September 30, 1977.* Eighty per centum of the funds appropriated for the first year for which funds are appropriated under this section shall be available for the purposes of establishing administrative arrangements under section 1055, making planning grants under section 1056, and for initiating programs under section 1057 in that States which have complied with the planning requirements of section 1056; and 20 per centum shall be available only for technical assistance under section 1059(a). From the amount appropriated for each succeeding fiscal year 15 per centum shall be reserved to the Commissioner for grants and contracts pursuant to section 1059(b).

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[TITLE XI—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

[PROGRAM AUTHORIZATION

[SEC. 1101. (a) The Commissioner is authorized to enter into grants or contracts with accredited law schools in the States for the purpose of paying not to exceed 90 per centum of the cost of establishing or expanding programs in such schools to provide clinical experience to students in the practice of law, with preference being given to programs providing such experience, to the extent practicable, in the preparation and trial of cases.

[(b) Such costs may include necessary expenditures incurred for—

[(1) planning;

[(2) training of faculty members and salary for additional faculty members;

[(3) travel and per diem for faculty and students;

[(4) reasonable stipends for students for work in the public service performed as part of any such program at a time other than during the regular academic year;

[(5) equipment and library resources; and

[(6) such other items as are allowed pursuant to regulations issued by the Commissioner.

[(c) No law school may receive more than $75,000 in any fiscal year pursuant to this title.

[(d) For the purpose of this title the term "accredited law school" means any law school which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose.

[APPLICATIONS

[SEC. 1102. (a) A grant or contract authorized by this title may be made by the Commissioner upon application which—

[(1) is made at such time or times and contains such information as he may prescribe;

[(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this title; and

[(3) provides for making such reports, in such form and containing such information as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

[(b) The Commissioner shall allocate grants or contracts under this title in such manner as will provide an equitable distribution of such grants or contracts throughout the United States among law schools which show promise of being able to use funds effectively for the purposes of this title.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 1103. There are authorized to be appropriated $7,500,000 for each of the succeeding fiscal years ending prior to July 1, 1975 to carry out the purposes of this title (and planning and related activities in the initial fiscal year for such purposes).]

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TITLE XII—GENERAL PROVISIONS

DEFINITIONS

SEC. 1201. As used in this Act—

(a) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, (A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B) is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provision of clauses (1), (2), (4), and (5). *Such term also includes a public or nonprofit private educational institution in any State which, in lieu of the requirement in clause (1), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution.* For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

* * * * * * *

Sec. 1207. (a) Except as provided in subsection (b), in any fiscal year in which the sum of appropriations available for carrying out parts A, C, and E of title IV of this Act equals or exceeds $2,500,000,000, no payments, awards, or grants may be made from the portion of the funds appropriated therefor in excess of $2,500,000,000, unless the sum of the appropriations for carrying out title I, part C of title VII, and part A of title X of this Act equal at least the amount by which the sum of the appropriations for carrying out parts A, C, and E of title IV of this Act exceed $2,500,000,000.

(b) The provisions of subsection (a) shall not be effective for any fiscal year in which appropriations for carrying out title I, part C of title VII, and part A of title X, equal the maximum authorized to be appropriated to carry out each such title or part.

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Title VI of the National Defense Education Act 1958

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TITLE VI—*FOREIGN STUDIES AND* LANGUAGE DEVELOPMENT

LANGUAGE AND AREA CENTERS AND PROGRAMS

Sec. 601. (a) The Secretary is authorized to make grants to or contracts with institutions of higher education for the purposes of establishing, equipping, and operating graduate and undergraduate centers and programs for the teaching of any modern foreign language, for instruction in other fields needed to provide a full understanding of the areas, regions, or countries in which such language is commonly used, or for research and training in international studies and the international aspects of professional and other fields of study. Any such grant or contract may cover all or part of the cost of the establishment or operation of a center or program, including the costs of faculty, staff, and student travel in foreign areas, regions, or countries, and the costs of travel of foreign scholars to teach or conduct research, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

(b) The Secretary is also authorized to pay stipends to individuals undergoing advanced training in any center or under any program receiving Federal financial assistance under this title, including allowances for dependents and for travel for research and study here and abroad, but only upon reasonable assurance that the recipients of such stipends will, on completion of their training, be available for teaching service in an institution of higher education or elementary or secondary school, or such other service of a public nature as may be permitted in the regulations of the Secretary.

(c) No funds may be expended under this title for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

RESEARCH AND STUDIES

SEC. 602. The Commissioner is authorized, directly or by contract, to make studies and surveys to determine the need for increased or improved instruction in modern foreign languages and other fields needed to provide a full understanding of the areas, regions or countries in which such languages are commonly used, to conduct research on more effective methods of teaching such languages and in such other fields, and to develop specialized materials for use in such training, or in training teachers of such languages or in such fields.

SEC. 603. (a) The Congress finds that—

(1) the well-being of the United States and its citizens is affected by policies adopted and actions taken by, or with respect to, other nations and areas; and

(2) the United States must afford its citizens adequate access to the information which will enable them to make informed judgments with respect to the policies and actions of the United States in this interdependent world.

It is therefore the purpose of this section to support educational programs which will increase the availability of such information to students in the United States.

(b) The Commissioner is authorized, by grant or contract, to carry out educational programs to increase the understanding of students in the United States about the cultures and actions of other nations in order to better evaluate the international and domestic impact of major national policies.

(c) Grants or contracts under this section—

(1) may be made to any public or private agency or organization, including but not limited to, institutions of higher education, State and local educational agencies, professional associations, educational consortia, and organizations of teachers;

(2) may include assistance for such activities as (A) the inservice training or orientation of teachers and other education personnel (including institutes, workshops, symposiums, and seminars), (B) the development of curriculums, (C) the preparation of instructional materials, and (D) the dissemination of the information with respect to such curriculums and instructional materials, but shall not include the acquisition of equipment or remodeling of facilities; and

(3) may be made for projects and programs at all levels of education, and may include projects and programs carried on as part of community, adult, and continuing education programs.

(d) Programs assisted under this section shall, where feasible, be coordinated with programs and activities carried on under sections 601 and 602, the ethnic heritage program provided for in title IX of the Elementary and Secondary Education Act of 1963, and any other related program for which the Commissioner has responsibility.

APPROPRIATIONS AUTHORIZED

SEC. **[**603**]** *604.* There are hereby authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1964, $13,000,000 for the fiscal year ending June 30, 1965, $14,000,000 for the fiscal year ending June 30, 1966, $16,000,000 for the fiscal year ending June 30, 1967, $18,000,000 for the fiscal year ending June 30, 1968, $16,050,000 for the fiscal year ending June 30, 1969, $30,000,000 for the fiscal year ending June 30, 1970, $38,500,000 for each of the fiscal years ending June 30, 1971, and June 30, 1972, $50,000,000 for the fiscal year ending June 30, 1973, and $75,000,000 **[**for each of the fiscal years ending June 30, 1974, and June 30, 1975, to carry out the provisions of this title**]** *for each fiscal year ending prior to October 1, 1977, to carry out the provisions of this title, except that no funds shall be made available in any fiscal year for carrying out programs under section 603 until at least $15,000,000 has been made available in such fiscal year for carrying out the provisions of sections 601 and 602.*

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SECTION 404 OF THE GENERAL EDUCATION PROVISIONS ACT

[SUPPORT FOR**]** *FUND FOR THE* IMPROVEMENT OF POSTSECONDARY EDUCATION

SEC. 404. (a) * * *

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(e) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1973, $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 **[**for the fiscal year ending June 30, 1975**]** *for each succeeding fiscal year ending on or before September 30, 1977*, for the purposes of this section.

SUPPLEMENTAL VIEWS

This bill is vital for the continuation of the broad range of federal higher education programs, particularly student aid, which will expire this June 30 unless we act. The bill accomplishes a number of important technical changes in the law to facilitate the smooth and more effective operation of the programs. It also makes a valuable contribution in focusing our attention on the "new" nontraditional student and the laudable development of more community-based educational experiences.

However, I believe it is important to emphasize that this bill provides for only a one year extension of most of the programs. There are a number of crucial problems in federal support for higher education that still need to be addressed. Central among these is student aid where we have a collection of programs that have grown by accretion rather than following any carefully conceived plan. A further reexamination of student aid is needed to create a consistent and integrated federal strategy to attain equal educational opportunity. Such a strategy would provide for assistance to students to attain access to not just a postsecondary education but to the postsecondary education that students' talents and interests lead them to chose.

This is an issue that urgently requires our attention in the next Congress, and I feel very strongly that a bill of one year's duration is all that is appropriate at this time.

Frank Thompson, Jr.
Shirley Chisholm.
Michael Blouin.
Robert Cornell.
Paul Simon.
John N. Erlenborn.

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